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MARKET FACTS

| Item  | Unit or<br>base<br>period | 1974    |          |          |         | 1975     |          |
|---|---------------------------|---------|----------|----------|---------|----------|----------|
|   |                           | Year:   | 2nd qtr: | 3rd qtr: | 4th qtr | 1st qtr: | 2nd qtr. |
| Farm-Retail Price Spreads: <u>1/</u>                              |                           |         |          |          |         |          |          |
| Retail cost .....   | Dol.                      | 1750    | 1731     | 1751     | 1797    | 1824     | 1838     |
| Farm value .....  | Dol.                      | 746     | 708      | 743      | 759     | 724      | 766      |
| Farm-retail spread .....  | Dol.                      | 1004    | 1023     | 1008     | 1038    | 1100     | 1072     |
| Farmer's share of retail cost .....                               | Pct.                      | 43      | 41       | 42       | 42      | 40       | 42       |
| Retail Prices: <u>2/</u>  |                           |         |          |          |         |          |          |
| All goods and services (CPI) .....                                | 1967=100                  | 147.7   | 145.6    | 150.1    | 154.2   | 157.0    | 159.5    |
| All food .....  | 1967=100                  | 161.7   | 159.5    | 162.8    | 167.9   | 171.3    | 172.5    |
| Food at home .....  | 1967=100                  | 162.4   | 160.2    | 163.0    | 168.4   | 171.6    | 172.5    |
| Food away from home .....   | 1967=100                  | 159.4   | 157.1    | 161.8    | 166.2   | 170.3    | 172.7    |
| Wholesale Prices: <u>2/</u>                                       |                           |         |          |          |         |          |          |
| Food <u>3/</u> .....  | 1967=100                  | 174.4   | 166.0    | 175.9    | 187.8   | 184.8    | 182.9    |
| Cotton products .....   | 1967=100                  | 175.4   | 177.3    | 181.6    | 170.0   | 158.7    | 161.7    |
| Woolen products .....   | 1967=100                  | 119.0   | 120.6    | 117.8    | 109.0   | 103.2    | 106.0    |
| Agricultural Prices:  |                           |         |          |          |         |          |          |
| Prices received by farmers .....                                  | 1967=100                  | 183     | 174      | 178      | 181     | 169      | 177      |
| Prices paid by farmers, interest,<br>taxes and wage rates .....   | 1967=100                  | 170     | 169      | 173      | 178     | 180      | 184      |
| Prices of Marketing Inputs:                                       |                           |         |          |          |         |          |          |
| Containers and packaging materials .....                          | 1967=100                  | 151     | 145      | 161      | 169     | 173      | 174      |
| Fuel, power, and light .....                                      | 1967=100                  | 202     | 200      | 212      | 220     | 231      | 237      |
| Services <u>4/</u> .....  | 1967=100                  | 157     | 155      | 161      | 160     | 167      | 170      |
| Hourly Earnings:  |                           |         |          |          |         |          |          |
| Food marketing employees <u>5/</u> .....                          | Dol.                      | 3.95    | 3.94     | 4.04     | 4.14    | 4.27     | -        |
| Employees, private nonagricultural<br>sector <u>2/</u> .....      | Dol.                      | 4.21    | 4.14     | 4.27     | 4.37    | 4.40     | 4.47     |
| Farmers' Marketings and Income:                                   |                           |         |          |          |         |          |          |
| Physical volume of farm marketings .....                          | 1967=100                  | 11.1    | 9.3      | 11.2     | 13.7    | 10.6     | 9.1      |
| Cash receipts from farm marketings <u>6/</u> ..                   | Bil. dol.                 | 93.5    | 90.1     | 91.5     | 94.1    | 87.0     | 88.0     |
| Farmers' realized net income <u>6/</u> .....                      | Bil. dol.                 | 27.7    | 24.4     | 25.4     | 27.9    | 21.0     | 20.5     |
| Industrial Production: <u>7/</u>                                  |                           |         |          |          |         |          |          |
| Food manufacturers .....  | 1967=100                  | 126.3   | 126.9    | 126.2    | 125.3   | 121.9    | 122.2    |
| Textile mill products .....                                       | 1967=100                  | 121.7   | 124.2    | 123.8    | 111.6   | 95.2     | -        |
| Apparel products .....  | 1967=100                  | 105.1   | 104.3    | 102.6    | 100.3   | 91.0     | -        |
| Tobacco products .....  | 1967=100                  | 106.2   | 105.6    | 103.9    | 103.4   | 105.2    | -        |
| Retail Sales: <u>8/</u>   |                           |         |          |          |         |          |          |
| Food stores .....   | Mil. dol.                 | 119,980 | 29,266   | 30,719   | 31,216  | 32,120   | -        |
| Eating and drinking places .....                                  | Mil. dol.                 | 41,807  | 10,272   | 10,501   | 11,059  | 11,433   | -        |
| Apparel stores .....  | Mil. dol.                 | 24,930  | 6,154    | 6,399    | 6,101   | 6,406    | -        |
| Consumers' Per Capita Income and<br>Expenditures: <u>9/</u>       |                           |         |          |          |         |          |          |
| Disposable personal income .....                                  | Dol.                      | 4,623   | 4,565    | 4,682    | 4,745   | 4,768    | 5,058    |
| Expenditures for goods and services ...                           | Dol.                      | 4,137   | 4,105    | 4,249    | 4,214   | 4,287    | 4,398    |
| Expenditures for food .....                                       | Dol.                      | 777     | 758      | 790      | 812     | 829      | 838      |
| Expenditures for food as percentage<br>of disposable income ..... | Pct.                      | 16.8    | 16.6     | 16.9     | 17.1    | 17.4     | 16.6     |

1/ For a market basket of farm foods. 2/ Dept. of Labor. 3/ Processed foods, eggs, and fresh and dried fruits and vegetables. 4/ Includes such items as rent, property insurance and maintenance, and telephone. 5/ Average hourly earnings of production workers in food processing, and nonsupervisory workers in wholesale and retail food trades, calculated from Dept. of Labor data. 6/ Quarterly data seasonally adjusted at annual rates. 7/ Seasonally adjusted, Board of Governors of Federal Reserve System. 8/ Quarterly data seasonally adjusted, Dept. of Commerce. 9/ Seasonally adjusted annual rates, calculated from Dept. of Commerce data. Percentages have been calculated from total income and expenditure data.

# MARKETING AND TRANSPORTATION SITUATION

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## SUMMARY

Farm-retail spreads are expected to widen in the third quarter as retail food prices rise. The increase is expected as marketing firms adjust their margins, particularly for meat items, to reflect higher farm and wholesale prices and increased operating costs. Spreads registered the first significant decrease in almost 4 years in the second quarter of this year. For the year, marketing spreads for assembling, processing, transporting, and distributing a market basket of foods from U.S. farms may average around 10 percent above 1974. This compares with the increase of 20 percent from 1973 to 1974.

Retail food prices are expected to rise in the third quarter due to both higher farm prices, mainly for livestock products, as well as wider price spreads to cover higher marketing and processing costs. However, prospects for larger crops and increased output of beef and poultry should moderate upward pressure on retail food prices.

The retail cost of a market basket of foods produced on U.S. farms averaged \$1,838 (annual rate) in the second quarter of 1975, up 0.7 percent from the previous quarter. Sharp price hikes for beef, pork, fresh fruits, and potatoes accounted for the rise. In contrast, prices for eggs, oilseed products, and sugar dropped sharply while prices for other farm foods changed little.

Gross returns to farmers (farm value of the standard market basket of farm commodities equivalent to retail units) averaged \$766 (annual rate) in the second quarter of 1975, up 6 percent from the previous quarter. This increase reflected substantially higher farm prices for meat animals and potatoes. The farm value for market basket foods increased each month from March through June as short supplies pushed up prices, particularly of livestock and poultry. Returns continued to rise in July and for the third quarter are expected to average 16 percent above a year earlier. Returns for meat animals and poultry will be up sharply from distressed levels in mid-1974. In contrast, returns for wheat and other farm ingredients in bakery and cereal products, oilseeds, and sugar may be significantly lower than a year ago.

Farmers received an average of 42 cents of each dollar spent in retail food stores for market basket foods in the second quarter, 2 cents more than in the

(This is the last issue.)



previous quarter. The farmer's share may average around 44 cents in the third quarter this year, 2 cents above a year ago.

Farm-retail spreads narrowed sharply in the second quarter as increases in retail food prices lagged the rapid rise in returns to farmers. The spread between the retail cost and the farm value of the market basket averaged \$1,072 (annual rate) in the second quarter, down 2.6 percent from the previous

quarter. But spreads in the second quarter were 4.8 percent above last year. They widened sharply from year-earlier levels for most manufactured foods. Increases in marketing and processing charges were particularly large for bakery and cereal products, processed fruits and vegetables, fats and oils products, and sugar. In contrast, spreads for meat products and fresh vegetables narrowed sharply as farm prices strengthened.

#### **New Report to replace "Marketing and Transportation Situation"**

Starting in September, the "Marketing and Transportation Situation" will be merged into a new monthly report entitled *Agricultural Outlook*. Published 11 times a year, the new report will carry aggregate analyses for the general and agricultural economies and will digest and update commodity and foreign agricultural production and trade developments. All persons presently on the "Marketing and Transportation Situation" mailing list will begin getting a copy of the new report in September.

## **FARM-FOOD MARKET BASKET STATISTICS**

### **Retail Cost**

The retail cost of a market basket of foods produced on U.S. farms, which decreased in March and April, increased 0.5 percent in May and 2.2 percent in June (table 1).<sup>1</sup> The June increase, which was the largest since February 1974, was explained mostly by higher prices for beef, pork, broilers, and fresh fruits and vegetables.

For the quarter, retail prices for market basket foods averaged slightly higher than in the first quarter this year, continuing the upward trend which has persisted each quarter since the fourth quarter 1971. Consumers paid an average of \$1,838 (annual rate) for the market basket of foods, up \$13 or 0.7 percent from the previous quarter (table 2). Price

increases for meats and fresh fruits and vegetables contributed most to the rise as prices for many other foods, particularly eggs, oilseed products, and sugar dropped sharply.

Compared with a year earlier, the retail cost of the market basket in the second quarter was up 6.2 percent as most market basket foods were higher priced than a year earlier. Increases were especially sharp for the highly manufactured food groups such as processed fruits and vegetables, fats and oils products, and bakery and cereal products. Increases for meat products and poultry, although more moderate, still contributed significantly to the rise in the retail cost of the market basket over a year ago. In contrast, prices for fresh vegetables were significantly lower than a year ago, partly because of much lower average prices for potatoes in the second quarter this year despite the sharp upturn in potato prices in June.

Retail costs for market basket foods in the second quarter of this year averaged 70 percent higher than in 1967. This compares with an increase of 56 percent for nonfood items purchased by consumers.

### **Farm Value**

Returns to farmers for foods in the market basket averaged \$766 (annual rate) in the second quarter, up \$42 or 5.8 percent from the first quarter of this year. Sharply higher farm values for meat animals, poultry, and fresh fruits and vegetables were only partially offset by sizable decreases for eggs, farm ingredients in bakery and cereal products, oilseed products, and sugar. Increases in the farm value of

<sup>1</sup>The market basket contains the average quantities of domestic farm-originated food products purchased annually per household in 1960 and 1961 by wage-earners and clerical worker families and single workers living alone. Its retail cost is calculated from retail prices published by the Bureau of Labor Statistics. The retail cost of the market basket foods is less than the cost of all foods bought per household, since it does not include cost of meals in eating places, imported foods, seafoods, or other foods not of U.S. farm origin. The farm value is the gross return to farmers for the farm products equivalent to foods in the market basket minus allowances for byproducts. It is based on prices at the first point of sale and may include some marketing charges incurred by farmers such as grading and packing for some commodities. The farm-retail spread, the difference between the retail cost and farm value, is an estimate of the total gross margin received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket.

Table 1.--The market basket of farm food: Retail cost, farm value, farm-retail spread, and farmer's share of the retail cost 1/

| Year and quarter     | Retail cost                   | Farm value | Farm-retail spread | Farmer's share | Month          | Retail cost                  | Farm value | Farm-retail spread | Farmer's share |
|----------------------|-------------------------------|------------|--------------------|----------------|----------------|------------------------------|------------|--------------------|----------------|
|                      | -----1967 = 100 ----- Percent |            |                    |                |                | -----1967 = 100----- Percent |            |                    |                |
| Average:             |                               |            |                    |                | 1973           |                              |            |                    |                |
| 1947-49 ...          | 82.9                          | 106.9      | 67.7               | 50             | January ...    | 127.2                        | 142.4      | 117.6              | 43             |
| 1957-59 ...          | 91.5                          | 94.8       | 89.5               | 40             | February ..    | 130.4                        | 148.0      | 119.2              | 44             |
|                      |                               |            |                    |                | March ....     | 134.9                        | 157.9      | 120.3              | 45             |
| 1964 .....           | 93.4                          | 90.0       | 95.5               | 37             | April .....    | 137.0                        | 158.0      | 123.7              | 45             |
| 1965 .....           | 96.0                          | 99.2       | 93.9               | 40             | May .....      | 138.2                        | 158.1      | 125.6              | 44             |
| 1966 .....           | 101.1                         | 106.3      | 97.8               | 41             | June .....     | 140.4                        | 166.3      | 124.0              | 46             |
| 1967 .....           | 100.0                         | 100.0      | 100.0              | 39             | July .....     | 141.5                        | 172.4      | 121.9              | 47             |
| 1968 .....           | 103.6                         | 105.3      | 102.5              | 39             | August ....    | 153.0                        | 204.5      | 120.4              | 52             |
| 1969 .....           | 109.1                         | 114.8      | 105.5              | 41             | September :    | 150.7                        | 181.0      | 131.5              | 47             |
| 1970 .....           | 113.7                         | 114.1      | 113.4              | 39             | October ...    | 149.9                        | 174.2      | 134.5              | 45             |
| 1971 .....           | 115.7                         | 114.4      | 116.5              | 38             | November ..    | 151.2                        | 169.6      | 139.6              | 44             |
| 1972 .....           | 121.3                         | 125.1      | 118.9              | 40             | December ..    | 152.7                        | 174.3      | 139.0              | 44             |
| 1973 .....           | 142.3                         | 167.2      | 126.4              | 46             |                |                              |            |                    |                |
| 1974 <u>2/</u> ..... | 161.9                         | 177.6      | 152.0              | 43             | 1974           |                              |            |                    |                |
|                      |                               |            |                    |                | January ...    | 155.5                        | 184.6      | 137.0              | 46             |
| 1972                 |                               |            |                    |                | February ..    | 160.3                        | 190.3      | 141.3              | 46             |
| I .....              | 119.5                         | 121.2      | 118.4              | 39             | March ....     | 161.7                        | 182.6      | 148.5              | 44             |
| II .....             | 120.1                         | 122.4      | 118.6              | 40             | April .....    | 159.9                        | 174.8      | 150.4              | 42             |
| III .....            | 122.5                         | 128.4      | 118.7              | 41             | May .....      | 160.4                        | 166.6      | 156.5              | 40             |
| IV .....             | 123.1                         | 128.3      | 119.9              | 40             | June .....     | 160.2                        | 165.7      | 156.7              | 40             |
|                      |                               |            |                    |                | July .....     | 159.7                        | 172.7      | 151.4              | 42             |
| 1973                 |                               |            |                    |                | August ....    | 162.0                        | 180.4      | 150.4              | 43             |
| I .....              | 130.8                         | 149.4      | 119.0              | 44             | September :    | 164.3                        | 178.8      | 155.1              | 42             |
| II .....             | 138.5                         | 160.8      | 124.4              | 45             | October ...    | 164.6                        | 182.3      | 153.4              | 43             |
| III .....            | 148.4                         | 186.0      | 124.6              | 49             | November ..    | 166.4                        | 183.2      | 155.8              | 43             |
| IV .....             | 151.3                         | 172.7      | 137.7              | 44             | December ..    | 167.8                        | 178.3      | 161.2              | 41             |
|                      |                               |            |                    |                |                |                              |            |                    |                |
| 1974                 |                               |            |                    |                | 1975 <u>2/</u> |                              |            |                    |                |
| I .....              | 159.2                         | 187.0      | 141.5              | 46             | January ...    | 168.7                        | 173.5      | 165.7              | 40             |
| II .....             | 160.2                         | 169.1      | 154.6              | 41             | February ..    | 169.3                        | 173.5      | 166.6              | 40             |
| III .....            | 162.0                         | 176.1      | 153.4              | 42             | March ....     | 168.5                        | 171.4      | 166.7              | 39             |
| IV .....             | 166.3                         | 180.2      | 157.5              | 42             | April .....    | 168.2                        | 175.7      | 163.5              | 40             |
|                      |                               |            |                    |                | May .....      | 169.1                        | 182.2      | 160.8              | 42             |
| 1975                 |                               |            |                    |                | June .....     | 172.9                        | 190.8      | 161.6              | 43             |
| I .....              | 168.8                         | 172.8      | 166.3              | 40             | July .....     |                              |            |                    |                |
| II .....             | 170.1                         | 182.8      | 162.0              | 42             | August ....    |                              |            |                    |                |
| III .....            |                               |            |                    |                | September :    |                              |            |                    |                |
| IV .....             |                               |            |                    |                | October ...    |                              |            |                    |                |
|                      |                               |            |                    |                | November ..    |                              |            |                    |                |
|                      |                               |            |                    |                | December ..    |                              |            |                    |                |

1/ The market basket contains the average quantities of domestic, farm-originated food products purchased annually per household in 1960 and 1961 by wage-earners and clerical worker families and workers living alone. Its retail cost is calculated from retail prices published by the Bureau of Labor Statistics. The farm value is the gross return to farmers for the farm products equivalent to foods in the market basket. The farm-retail spread--difference between the retail cost and farm value--is an estimate of the total gross margin received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket. Indexes may be converted to dollar totals by multiplying by the following amounts for 1967: retail cost, \$1,080.64; farm value, \$419.07; and farm-retail spread, \$661.57. Quarterly and monthly data are annual rates. Additional historical data are published in Farm-Retail Spreads for Food Products, Misc. Pub. 741, January 1972. 2/ Preliminary.



Table 2.--The market basket of farm foods by product group: Retail cost, farm value and farm-retail spread, second quarter 1975 with comparisons.

| Item                                     | II<br>1975 | Change from:       |         |          |         |         |
|--|------------|--------------------|---------|----------|---------|---------|
|  |            | Previous quarter   |         | Year ago |         |         |
|  |            | Dollars            | Dollars | Percent  | Dollars | Percent |
|  |            | Retail cost        |         |          |         |         |
| Market basket .....                      | 1,837.81   | 13.33              | 0.7     | 106.98   | 6.2     |         |
| Meat .....                               | 552.54     | 32.20              | 6.2     | 37.22    | 7.2     |         |
| Dairy .....                              | 298.39     | -2.79              | -9      | -4.11    | -1.4    |         |
| Poultry .....                            | 70.81      | 0                  | 0       | 5.43     | 8.3     |         |
| Eggs .....                               | 51.56      | -6.77              | -11.6   | 1.49     | 3.0     |         |
| Bakery and cereal ...                    | 309.63     | -1.55              | -5      | 34.07    | 12.4    |         |
| Fresh fruits .....                       | 75.79      | 5.99               | 8.6     | 2.01     | 2.7     |         |
| Fresh vegetables ....                    | 110.80     | 3.51               | 3.3     | -27.53   | -19.9   |         |
| Processed fruits<br>and vegetables ..... | 186.94     | -.09               | 1/      | 26.41    | 16.5    |         |
| Fats and oils .....                      | 82.87      | -7.10              | -7.9    | 10.44    | 14.4    |         |
| Miscellaneous .....                      | 98.48      | -10.07             | -9.3    | 21.55    | 28.0    |         |
|  |            | Farm value         |         |          |         |         |
| Market basket .....                      | 766.19     | 42.14              | 5.8     | 57.82    | 8.2     |         |
| Meat .....                               | 347.77     | 63.24              | 22.2    | 73.96    | 27.0    |         |
| Dairy .....                              | 142.07     | .43                | .3      | -9.05    | -6.0    |         |
| Poultry .....                            | 41.49      | 1.69               | 4.2     | 6.57     | 18.8    |         |
| Eggs .....                               | 32.12      | -6.70              | -17.3   | .06      | .2      |         |
| Bakery and cereal ...                    | 53.42      | -10.55             | -16.5   | -7.49    | -12.3   |         |
| Fresh fruits .....                       | 24.79      | 4.63               | 23.0    | 2.29     | 10.2    |         |
| Fresh vegetables ....                    | 40.64      | 3.97               | 10.8    | -6.06    | -13.0   |         |
| Processed fruits<br>and vegetables ..... | 39.25      | -.85               | -2.1    | 3.38     | 9.4     |         |
| Fats and oils .....                      | 26.20      | -6.00              | -18.6   | -3.63    | -12.2   |         |
| Miscellaneous .....                      | 18.44      | -7.72              | -29.5   | -2.21    | -10.7   |         |
|  |            | Farm-retail spread |         |          |         |         |
| Market basket .....                      | 1,071.62   | -28.81             | -2.6    | 49.16    | 4.8     |         |
| Meat .....                               | 204.77     | -31.04             | -13.2   | -36.74   | -15.2   |         |
| Dairy .....                              | 156.32     | -3.22              | -2.0    | 4.94     | 3.3     |         |
| Poultry .....                            | 29.32      | -1.69              | -5.4    | -1.14    | -3.7    |         |
| Eggs .....                               | 19.44      | -.07               | -.4     | 1.43     | 7.9     |         |
| Bakery and cereal ...                    | 256.21     | 9.00               | 3.6     | 41.56    | 19.4    |         |
| Fresh fruits .....                       | 51.00      | 1.36               | 2.7     | -.28     | -.5     |         |
| Fresh vegetables ....                    | 70.16      | -.46               | -.7     | -21.47   | -23.4   |         |
| Processed fruits<br>and vegetables ..... | 147.69     | .76                | .5      | 23.03    | 18.5    |         |
| Fats and oils .....                      | 56.67      | -1.10              | -1.9    | 14.07    | 33.0    |         |
| Miscellaneous .....                      | 80.04      | -2.35              | -2.9    | 23.76    | 42.2    |         |

1/ The market basket contains the average quantities of farm-originated foods purchased annually per household in 1960-61. Retail cost is calculated from U.S. average retail prices collected by the Bureau of Labor Statistics. Farm value is payment to farmer for equivalent quantities of farm products minus imputed value of byproducts obtained in processing. Quarterly data are annual rates. Additional data are shown in tables at the back of this report.



market basket foods were strong each month from March to June due to short supplies of livestock and poultry.

The farm value of market basket foods in the second quarter of 1975 averaged 8.2 percent higher than a year earlier. Returns varied widely among product groups. Farm values were much higher for meat animals, poultry, fresh fruits, and processed fruits and vegetables. In contrast, returns were much lower than a year ago for ingredients in bakery and cereal products, fresh vegetables (mainly potatoes), oilseed products, sugar, and milk.

Farm value of market basket foods in the second quarter averaged 82 percent above 1967.

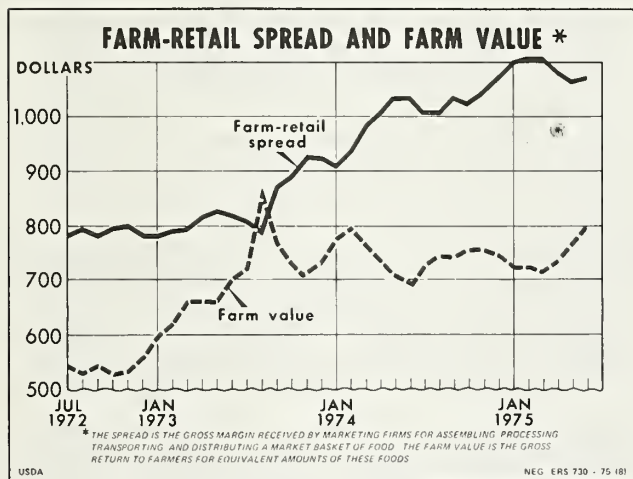


Figure 1

### Farm-Retail Spreads

A significant drop in the farm-retail spread in the second quarter as farm prices rose halted the sharp upward movement which prevailed since early 1973. The spread between the retail cost and the farm value of the market basket averaged \$1,072 (annual rate) in the second quarter, down \$29 or 2.6 percent from the first quarter this year. The farm-retail spread represents charges for assembling, processing, transporting, and distributing market basket foods. Spreads decreased for most product groups in the second quarter with the biggest declines occurring for meat products as prices for meat animals rose faster than retail prices. Only bakery and cereal products, fresh fruits, and processed fruits and vegetables saw wider spreads.

Compared with a year earlier, the marketing spread in the second quarter of this year was 4.8 percent wider. Spreads were generally sharply wider for most highly manufactured foods—including bakery and cereal products, processed fruits and vegetables, fats and oils products, and miscellaneous products which include sugar, jellies, soups, etc. In

contrast, spreads were sharply lower than a year earlier for meat products, fresh vegetables (primarily potatoes), and poultry.

Farm-retail spreads have widened by 62 percent since 1967 and are now about double the level of 20 years ago.

### Farmer's Share

Farmers received an average of 42 cents of each dollar spent in retail food stores in the second quarter of 1975 for a market basket of farm produced foods. This was 2 cents more than in the previous quarter and 1 cent more than in the second quarter of 1974.

### Commodity Highlights

**Beef:** Retail prices for Choice beef averaged \$1.46 per pound in the second quarter of 1975, up about 17 cents from the previous quarter (table 3). Live animal prices rose at a faster rate during the quarter than retail prices. As a result, the farm-retail spread decreased about 9 cents from the previous quarter while the net farm value increased 26 cents. Farm-retail spreads may widen as beef cattle prices edge lower this fall.

Price movements at all levels were dynamic during the second quarter. Choice beef prices averaged \$1.58 per pound in June, up 31 cents from March and 8 cents above the previous record in February 1974. Cattle prices, at near-record highs in June, were 50 percent higher than 4 months earlier. As a result, the net farm value for the quantity of live animal equivalent to 1 retail pound of beef averaged \$1.10 in June, up 34 cents from March. Farm-retail spreads, which were squeezed in April and May, widened in June to 48 cents, but averaged 3 cents lower than in March. The decreases resulted from sharply lower carcass-retail spreads. The farm-carcass spread widened significantly in the 3-month period.

Compared with a year earlier, retail prices for Choice beef averaged 12 cents per pound more in the second quarter of 1975. The net farm value was up almost 20 cents, reflecting the sharp advance in cattle prices from a year earlier. Farm-retail spreads narrowed by 8 cents with most of the decrease occurring in the carcass-retail spread (mainly charges for retailing, wholesaling, and transportation).

**Pork:** Retail prices for pork cuts, which began to advance later than beef, averaged \$1.23 per pound in the second quarter, up 9 cents from the previous quarter. The rise resulted from sharply higher prices for hogs. The farm value increased 13 cents; consequently the farm-retail spread decreased 4 cents.

As with beef, there was considerable movement in pork prices during the quarter. Retail prices for pork rose 15 percent to an average of \$1.30 in June, while the farm value climbed almost one-third to an

Table 3.--Beef, pork, and lamb: Retail price, carcass value, farm value, farm-retail spread, and farmer's share of retail price, annually 1971-74, quarterly 1974-75

| Date            | Retail price<br>per pound<br>1/ | Carcass<br>value<br>2/ | Gross<br>farm<br>value<br>3/ | Byproduct<br>allowance<br>4/ | Net<br>farm<br>value<br>5/ | Farm-retail spread |                    |                  | Farmer's<br>share |
|-----------------|---------------------------------|------------------------|------------------------------|------------------------------|----------------------------|--------------------|--------------------|------------------|-------------------|
|                 |                                 |                        |                              |                              |                            | Total              | Carcass-<br>retail | Farm-<br>carcass |                   |
|                 | Cents                           |                        |                              |                              |                            |                    |                    |                  | Percent           |
|                 | Beef, Choice grade              |                        |                              |                              |                            |                    |                    |                  |                   |
| 1971 .....      | 104.3                           | 75.7                   | 72.3                         | 4.5                          | 67.8                       | 36.5               | 28.6               | 7.9              | 65                |
| 1972 .....      | 113.8                           | 80.1                   | 79.8                         | 7.4                          | 72.4                       | 41.4               | 33.7               | 7.7              | 64                |
| 1973 .....      | 135.5                           | 98.1                   | 100.0                        | 10.1                         | 89.9                       | 45.6               | 37.4               | 8.2              | 66                |
| 1974 .....      | 138.8                           | 97.4                   | 93.8                         | 7.7                          | 86.1                       | 52.7               | 41.4               | 11.3             | 62                |
| 1974            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 145.1                           | 103.9                  | 101.5                        | 9.4                          | 92.1                       | 53.0               | 41.2               | 11.8             | 63                |
| Apr.-June ....  | 134.5                           | 93.6                   | 89.0                         | 7.3                          | 81.7                       | 52.8               | 40.9               | 11.9             | 61                |
| July-Sept. .... | 141.0                           | 102.1                  | 99.1                         | 7.8                          | 91.3                       | 49.7               | 38.9               | 10.8             | 65                |
| Oct.-Dec. ....  | 134.5                           | 90.2                   | 85.4                         | 6.1                          | 79.3                       | 55.2               | 44.3               | 10.9             | 59                |
| 1975            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 129.6                           | 6/ 86.6                | 80.3                         | 5.1                          | 75.2                       | 54.4               | 43.0               | 11.4             | 58                |
| Apr.-June ....  | 146.5                           | 6/ 113.4               | 108.4                        | 7.1                          | 101.3                      | 45.2               | 33.1               | 12.1             | 69                |
| July-Sept. .... |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Oct.-Dec. ....  |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
|                 | Pork                            |                        |                              |                              |                            |                    |                    |                  |                   |
| 1971 .....      | 70.3                            | 52.1                   | 35.0                         | 2.7                          | 32.3                       | 38.0               | 18.2               | 19.8             | 46                |
| 1972 .....      | 83.2                            | 65.3                   | 51.2                         | 3.5                          | 47.7                       | 35.5               | 17.9               | 17.6             | 57                |
| 1973 .....      | 109.8                           | 87.3                   | 78.2                         | 6.7                          | 71.5                       | 38.3               | 22.5               | 15.8             | 65                |
| 1974 .....      | 108.2                           | 77.4                   | 68.0                         | 7.2                          | 60.8                       | 47.4               | 30.8               | 16.6             | 56                |
| 1974            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 115.2                           | 82.3                   | 73.8                         | 7.7                          | 66.1                       | 49.1               | 32.9               | 16.2             | 57                |
| Apr.-June ....  | 99.3                            | 66.4                   | 53.2                         | 5.3                          | 47.9                       | 51.4               | 32.9               | 18.5             | 48                |
| July-Sept. .... | 107.4                           | 77.6                   | 70.1                         | 7.3                          | 62.8                       | 44.6               | 29.8               | 14.8             | 58                |
| Oct.-Dec. ....  | 111.0                           | 83.5                   | 74.8                         | 8.3                          | 66.5                       | 44.5               | 27.5               | 17.0             | 60                |
| 1975            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 114.4                           | 85.7                   | 75.6                         | 7.3                          | 68.3                       | 46.1               | 28.7               | 17.4             | 60                |
| Apr.-June ....  | 123.1                           | 96.7                   | 88.9                         | 7.4                          | 81.5                       | 41.6               | 26.4               | 15.2             | 66                |
| July-Sept. .... |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Oct.-Dec. ....  |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
|                 | Lamb, Choice grade              |                        |                              |                              |                            |                    |                    |                  |                   |
| 1971 .....      | 109.9                           | 75.1                   | 63.1                         | 5.9                          | 57.2                       | 52.7               | 34.8               | 17.9             | 52                |
| 1972 .....      | 118.8                           | 79.7                   | 70.5                         | 7.5                          | 63.0                       | 55.8               | 39.1               | 16.7             | 53                |
| 1973 .....      | 134.3                           | 91.2                   | 86.6                         | 12.9                         | 73.7                       | 60.6               | 43.1               | 17.5             | 55                |
| 1974 .....      | 146.4                           | 102.1                  | 91.7                         | 12.5                         | 79.2                       | 67.2               | 44.3               | 22.9             | 54                |
| 1974            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 137.6                           | 102.0                  | 93.4                         | 12.8                         | 80.6                       | 57.0               | 35.6               | 21.4             | 59                |
| Apr.-June ....  | 142.5                           | 103.0                  | 98.3                         | 14.7                         | 83.6                       | 58.9               | 39.5               | 19.4             | 59                |
| July-Sept. .... | 152.3                           | 102.0                  | 89.3                         | 12.6                         | 76.7                       | 75.6               | 50.3               | 25.3             | 50                |
| Oct.-Dec. ....  | 153.3                           | 101.5                  | 85.9                         | 10.3                         | 75.6                       | 77.7               | 51.8               | 25.9             | 49                |
| 1975            |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Jan.-Mar. ....  | 156.0                           | 106.6                  | 93.7                         | 8.9                          | 84.8                       | 71.2               | 49.4               | 21.8             | 54                |
| Apr.-June ....  | 164.4                           | 117.2                  | 107.9                        | 10.3                         | 97.6                       | 66.8               | 47.2               | 19.6             | 59                |
| July-Sept. .... |                                 |                        |                              |                              |                            |                    |                    |                  |                   |
| Oct.-Dec. ....  |                                 |                        |                              |                              |                            |                    |                    |                  |                   |

1/ Estimated weighted average price of retail cuts. 2/ For quantity equivalent to 1 lb. of retail cuts: Beef: 1.41 lb. of carcass beef; pork, 1.07 lb. of wholesale cuts; lamb, 1.18 lb. of carcass lamb.  
3/ Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.28 lb.; pork, 1.97 lb.; lamb, quantity varies by months from 2.42 lb. in May to 2.48 lb. in October. 4/ Portion of gross farm value attributed to edible and inedible byproducts. 5/ Gross farm value minus byproduct allowance. 6/ Yield Grade 3.



average of 91 cents. Because of the much larger increase in farm value than retail price, the farm-retail spread was squeezed more than 5 cents or 12 percent.

Marketing spreads for pork were 10 cents lower in the second quarter of this year than a year earlier. But the farm value was up 34 cents and the retail price was up 25 cents. In the second quarter of last year, hog prices were depressed and the farm-retail spread for pork was at a record high level.

*Bakery and Cereal Products:* After rising sharply each quarter during both 1973 and 1974, the retail cost of bakery and cereal products decreased slightly in the second quarter of 1975 but averaged 12.4 percent higher than a year earlier. The farm values for wheat, and other farm ingredients in bakery and cereal products, decreased 16.5 percent from the previous quarter and averaged 12.3 percent lower than a year earlier. But farm-retail spreads jumped 3.6 percent from the first to the second quarter, and averaged 19.4 percent wider than the second quarter of last year.

Farm values decreased from February through June for grains in bakery and cereal products, while decreases began in January for other farm ingredients—including sugar, milk, lard, and vegetable shortening. However, retail prices for bakery and cereal products did not begin to weaken until April when they decreased slightly each month through June.

The farmer's share of the retail cost for grains in the bakery and cereal group was 12 percent in the second quarter, compared with 16 percent a year earlier. For all farm ingredients, it was 17 percent compared with 22 percent. The farmer's share is expected to increase in coming months, reflecting higher returns for wheat, oilseeds, milk, and sugar.

*Fats and Oils:* Retail prices for fats and oils products in the second quarter of 1975 were 8 percent

below the record level reached in the first quarter but still averaged 14 percent above the level of a year earlier. The farm value for oilseeds peaked last fall, then dropped sharply in both quarters this year. The farm value for fats and oils in the second quarter was 19 percent below the previous quarter and 12 percent lower than a year earlier. Because retail prices were slow to reflect decreases at the farm level, farm-retail spreads averaged a third wider than a year earlier, even though they decreased slightly from the first to the second quarter this year. The farmer's share of the retail cost was 32 percent in the second quarter, down from 41 percent from a year earlier. It reached 51 percent in the third quarter of 1974.

Changes in retail prices, farm value, and farm-retail spreads for other selected foods are shown in tables 4 and 5 and tables at the end of the report.

## Outlook

Farm-retail spreads in the third quarter are expected to widen as retail food prices rise. The increase is expected as marketing firms adjust their margins, particularly for meats, to reflect higher returns to farmers for food products and to cover rising operating costs. For the year, marketing spreads for assembling, processing, transporting, and distributing a market basket of foods from U.S. farms may average around 10 percent above 1974. This compares to an increase of 20 percent from 1973 to 1974.

Retail food prices are expected to rise in the third quarter due to both higher farm prices, mainly for livestock products, as well as wider price spreads. However, prospects for larger crops and increased output of beef and poultry should moderate upward pressure on retail food prices.

Table 4.--Changes in retail price, farm value, and farm-retail spread for selected market basket foods, second quarter 1975.

| Item                               | : II<br>: 1975 | : Change from:          |                 | : II<br>: 1975            | : Change from:          |                 |
|------------------------------------|----------------|-------------------------|-----------------|---------------------------|-------------------------|-----------------|
|                                    |                | : Previous<br>: quarter | : Year<br>: ago |                           | : Previous<br>: quarter | : Year<br>: ago |
|                                    | : Cents        | : Percent               | : Percent       | : Cents                   | : Percent               | : Percent       |
| Butter, pound                      |                |                         |                 | Cheese, American, ½ pound |                         |                 |
| Retail price .....                 | 95.5           | 1.5                     | 2.1             | 74.1                      | .8                      | -1.7            |
| Farm value .....                   | 58.1           | 2.1                     | 9.8             | 34.0                      | 4.3                     | 0               |
| Farm-retail spread .....           | 37.4           | .5                      | -7.9            | 40.1                      | -2.0                    | -3.1            |
| Milk, sold in stores,<br>½ gallon  |                |                         |                 | Chicken, frying, pound    |                         |                 |
| Retail price .....                 | 77.7           | -1.9                    | -3.0            | 59.0                      | 0.2                     | 11.3            |
| Farm value .....                   | 39.9           | -.2                     | -8.1            | 34.7                      | 4.8                     | 20.5            |
| Farm-retail spread .....           | 37.8           | -3.6                    | 3.0             | 24.3                      | -5.8                    | .4              |
| Eggs, large grade A, dozen         |                |                         |                 | Corn flakes, 12 ounces    |                         |                 |
| Retail price .....                 | 71.6           | -11.6                   | 4.5             | 52.0                      | 0.2                     | 33.3            |
| Farm value .....                   | 44.6           | -17.3                   | 1.6             | 4.6                       | -4.2                    | 7.0             |
| Farm-retail spread .....           | 27.0           | -.4                     | 9.8             | 47.4                      | .6                      | 36.6            |
| Apples, pound                      |                |                         |                 | Oranges, dozen            |                         |                 |
| Retail price .....                 | 35.5           | 13.1                    | 1.7             | 111.4                     | 3.2                     | 3.2             |
| Farm value .....                   | 14.1           | 30.6                    | 13.7            | 25.4                      | 9.5                     | 5.8             |
| Farm-retail spread .....           | 21.4           | 3.9                     | -4.9            | 86.0                      | 1.5                     | 2.5             |
| Lettuce, head                      |                |                         |                 | Tomatoes, pound           |                         |                 |
| Retail price .....                 | 39.7           | 7.2                     | -12.2           | 59.5                      | -2.9                    | 2.2             |
| Farm value .....                   | 10.7           | -28.2                   | -20.1           | 25.3                      | 2.8                     | 7.7             |
| Farm-retail spread .....           | 29.0           | 3.9                     | -8.8            | 34.2                      | -6.8                    | -1.4            |
| Orange juice, frozen,<br>6 oz. can |                |                         |                 | Margarine, pound          |                         |                 |
| Retail price .....                 | 28.0           | 0.7                     | 9.4             | 63.7                      | -9.8                    | 18.2            |
| Farm value .....                   | 8.1            | -8.0                    | -12.0           | 20.2                      | -19.8                   | -12.2           |
| Farm-retail spread .....           | 19.9           | 4.7                     | 21.3            | 43.5                      | -4.2                    | 40.8            |
| Potatoes, 10 pounds                |                |                         |                 | Peas, frozen, 10 ounces   |                         |                 |
| Retail price .....                 | 115.8          | 5.9                     | -48.2           | 33.1                      | -2.9                    | 25.4            |
| Farm value .....                   | 45.5           | 39.1                    | -42.0           | 7.0                       | 0                       | 66.7            |
| Farm-retail spread .....           | 70.3           | -8.2                    | -51.6           | 26.1                      | -3.7                    | 17.6            |

1/ Data for additional foods are shown in tables at back of this report.



Table 5.--White pan bread: Retail price, marketing spreads, and farm value per 1-pound loaf, selected periods, 1950-1975

| Period       | Retail price<br>1/ | Retail spread<br>2/ | Baker whole-saler spread<br>3/ | Miller's flour spread<br>4/ | Other spreads<br>5/ | Farm value All ingred-<br>6/ | Wheat<br>7/ |
|--------------|--------------------|---------------------|--------------------------------|-----------------------------|---------------------|------------------------------|-------------|
|              |                    |                     |                                | Cents                       |                     |                              |             |
| 1950 .....   | 14.3               | 2.6                 | 7.0                            | 0.6                         | 1.1                 | 3.0                          | 2.4         |
| 1955 .....   | 17.4               | 2.6                 | 9.4                            | .7                          | 1.5                 | 3.2                          | 2.7         |
| 1960 .....   | 19.8               | 3.8                 | 10.9                           | .8                          | 1.5                 | 2.8                          | 2.3         |
| 1965 .....   | 20.8               | 4.2                 | 11.2                           | .6                          | 1.6                 | 3.2                          | 2.6         |
| 1970 .....   | 24.2               | 5.6                 | 12.8                           | .5                          | 1.9                 | 3.4                          | 2.6         |
| 1971 .....   | 24.8               | 5.4                 | 13.8                           | .6                          | 1.5                 | 3.5                          | 2.6         |
| 1972 .....   | 24.7               | 4.6                 | 14.1                           | .6                          | 1.6                 | 3.8                          | 2.9         |
| 1973 .....   | 27.6               | 5.4                 | 14.2                           | 1.0                         | 1.5                 | 5.5                          | 4.2         |
| 1974 8/..... | 34.5               | 5.8                 | 17.5                           | 1.0                         | 2.1                 | 8.0                          | 5.5         |
| 1974:        |                    |                     |                                |                             |                     |                              |             |
| I .....      | 32.8               | 5.8                 | 15.7                           | 1.3                         | 1.5                 | 8.5                          | 6.5         |
| II .....     | 34.4               | 6.1                 | 18.5                           | .8                          | 2.3                 | 6.7                          | 4.5         |
| III .....    | 34.7               | 5.6                 | 18.2                           | .9                          | 2.4                 | 7.6                          | 5.1         |
| IV .....     | 35.9               | 5.7                 | 17.6                           | 1.0                         | 2.7                 | 8.9                          | 5.7         |
| 1975 8/..... |                    |                     |                                |                             |                     |                              |             |
| I .....      | 37.3               | 5.6                 | 20.7                           | 0.6                         | 3.9                 | 7.5                          | 4.7         |
| II .....     | 36.2               | 4.7                 | 21.9                           | 0.5                         | 2.9                 | 6.2                          | 4.0         |
| Jan. ....    | 37.2               | 5.7                 | 19.9                           | 0.9                         | 2.9                 | 7.9                          | 4.9         |
| Feb. ....    | 37.4               | 5.6                 | 20.9                           | 0.4                         | 2.8                 | 7.7                          | 4.8         |
| Mar. ....    | 37.3               | 5.6                 | 21.4                           | 0.5                         | 2.8                 | 7.0                          | 4.4         |
| Apr. ....    | 36.8               | 5.2                 | 21.4                           | 0.4                         | 2.9                 | 6.9                          | 4.9         |
| May .....    | 36.2               | 4.7                 | 22.0                           | 0.5                         | 2.8                 | 6.2                          | 4.1         |
| June .....   | 35.6               | 4.2                 | 22.3                           | 0.6                         | 2.9                 | 5.6                          | 3.6         |

1/ Based on monthly prices reported by Bureau of Labor Statistics. 2/ Spread between retail and wholesale prices. 3/ Spread between wholesale price of bread and cost to baker of all ingredients. 4/ Spread between mill sales value of flour and cost of wheat to miller. 5/ Charges for transporting, handling, merchandising farm ingredients; processing non-wheat farm ingredients; and cost to baker of non-farm ingredients. 6/ Returns to farmers for wheat, lard, shortening, nonfat dry milk and sugar used in a 1-pound loaf. 7/ Returns to farmers for wheat, less imputed value of millfeed byproducts. Between July 1, 1964 and June 30, 1973, it includes value of commercial wheat marketing certificate (70 cents a bushel from July 1, 1964-June 30, 1965 and 75 cents thereafter). 8/ Preliminary. Note: Price spreads may not add due to rounding.

Table 6.--Profits after taxes of retail food chains and food manufacturers, annual 1964-74, quarterly 1974-75.

| Period                | 15 leading<br>food<br>chains<br>1/            | 10 leading<br>meat<br>packers<br>2/ | All food<br>manufac-<br>turing 2/<br>(SIC 20) | All manu-<br>facturing<br>2/ |
|-----------------------|---|-------------------------------------|---|------------------------------|
|                       | <u>Percent return on stockholders' equity</u> |                                     |   |                              |
| 1964 .....            | 11.5  | --                                  | 10.1  | 11.7                         |
| 1965 .....            | 11.3  | --                                  | 10.7  | 13.1                         |
| 1966 .....            | 11.4  | 7.1                                 | 11.3  | 13.6                         |
| 1967 .....            | 10.3  | 11.5                                | 10.9  | 11.8                         |
| 1968 .....            | 10.3  | 10.2                                | 10.8  | 12.2                         |
| 1969 .....            | 10.4  | 8.8                                 | 10.9  | 11.5                         |
| 1970 .....            | 10.6  | 8.7                                 | 10.8  | 9.3                          |
| 1971 .....            | 10.1  | 10.8                                | 11.0  | 9.7                          |
| 1972 .....            | 5.1   | 9.1                                 | 11.2  | 10.6                         |
| 1973 .....            | 8.2   | 10.6                                | 12.8  | 12.6                         |
| 1974 .....            | 4.7 3/  | 12.2 (8 firms)                      | 13.9  | 14.9                         |
| 1974                  |   |                                     |   |                              |
| January-March .....   | 9.1   | --                                  | 12.4  | 14.3                         |
| April-June .....      | 11.6  | --                                  | 12.8  | 16.7                         |
| July-September .....  | 11.3  | --                                  | 15.4  | 15.4                         |
| October-December .... | 8.1   | --                                  | 14.7  | 13.2                         |
| 1975                  |   |                                     |   |                              |
| January-March .....   |   |                                     | 10.7  | 9.0                          |
|                       | <u>Percent return on sales</u>                |                                     |   |                              |
| 1964 .....            | 1.3   | --                                  | 2.7   | 5.2                          |
| 1965 .....            | 1.3   | --                                  | 2.7   | 5.6                          |
| 1966 .....            | 1.3   | 0.9                                 | 2.7   | 5.6                          |
| 1967 .....            | 1.1   | 1.4                                 | 2.6   | 5.0                          |
| 1968 .....            | 1.1   | 1.2                                 | 2.6   | 5.1                          |
| 1969 .....            | 1.1   | 1.2                                 | 2.6   | 4.8                          |
| 1970 .....            | 1.0   | 0.9                                 | 2.5   | 4.0                          |
| 1971 .....            | .9  | 1.3                                 | 2.6   | 4.1                          |
| 1972 .....            | .5  | 0.8                                 | 2.6   | 4.3                          |
| 1973 .....            | .7  | 1.2                                 | 2.6   | 4.7                          |
| 1974 .....            | .4 3/   | 1.4 (8 firms)                       | 2.9   | 5.5                          |
| 1974                  |   |                                     |   |                              |
| January-March .....   | .8  | 1.1                                 | 2.7   | 5.6                          |
| April-June .....      | 1.0   | .9                                  | 2.7   | 6.0                          |
| July-September .....  | .9  | 1.3                                 | 3.2   | 5.7                          |
| October-December .... | .6  | 1.3                                 | 3.0   | 4.8                          |
| 1975                  |   |                                     |   |                              |
| January-March .....   | -1.0 3/                                       | 1.3 (7 firms)                       | 2.4   | 3.7                          |
| April-June .....      | .1 (10 stores)                                |                                     |   |                              |

-- =Not available. 1/ Compiled from "Moody's Industrial Manual." 2/ Compiled from "Quarterly Financial Report for Manufacturing Corporations" published by the Federal Trade Commission. Data since the first quarter of 1974 are imperfectly comparable with prior data because of significant changes in accounting methods. 3/ Includes extraordinary loss from store closings by the Greater Atlantic and Pacific Tea Company. Profits after taxes for 14 stores, excluding A&P, amounted to 11.1 percent of annual stockholders' equity. Profits for 14 stores, excluding A&P, amounted to .90 percent of annual sales and .90 percent of first quarter sales.

# THE BILL FOR MARKETING FARM-FOOD PRODUCTS

By

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**ABSTRACT:** The marketing bill—an estimate of all costs and profits incurred in transporting, processing, and distributing farm-food products—totaled \$92.0 billion in 1974, up 12 percent over 1973. This was double the average increase of the past 10 years. Among major cost components, labor accounted for half of the bill; packaging materials, 12 percent; and transportation, 7 percent. Corporate firms derived \$5.3 billion in before-tax profits from marketing farm foods in 1974, almost 6 percent of the bill. Marketing costs and profits of processors were \$30.6 billion, a third of the total marketing bill. Costs and profits of other agencies included \$26.7 billion for retailing, \$20.8 billion for eating places, and \$13.9 billion for wholesalers. Consumer expenditures for farm food products rose 12 percent to \$147.5 billion in 1974. Farmers received \$55.5 billion for farm-foods products, 11 percent more than in 1973.

**KEYWORDS:** Marketing costs, food costs, farm value, food expenditures.

The marketing bill is an estimate of the total cost of transporting, processing, and distributing U.S. farm originated foods purchased by civilian consumers. It is the difference between consumer expenditures and farm value (fig. 2). The marketing bill statistics show the distribution of consumer expenditures between the marketing system and farmers and the distribution of marketing costs among commodity groups, marketing agencies, and individual cost components.

This article presents data on consumer expenditures, farm value, and the marketing bill for U.S. farm foods in 1974. Analysis is offered by commodity group, factors affecting the rise in the bill, and cost components.

## Consumer Expenditures

Consumer expenditures represent the market value of farm foods originating on U.S. farms purchased by and for civilian consumers in this country. In 1974, civilian consumers spent \$147.5 billion on U.S. farm foods, 12 percent more than in 1973. This increase reflects an increase of \$5.5 billion (11%) in the farm value and \$10.1 billion (12%) in the marketing bill

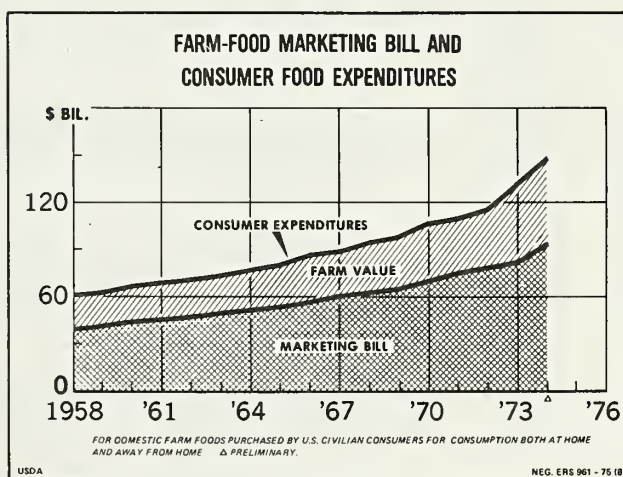


Figure 2

(table 7). Included in the total were expenditures for food in retail stores, cost of food purchased in restaurants and other away-from-home eating establishments, and the value of food served by schools, hospitals, and other institutions whose primary purpose is other than serving food.



Table 7.--Marketing bill, farm value, and consumer expenditures by commodity group, for domestic farm-food products bought by civilians, 1929, 1939, 1947-74

| Year 1/ | All farm foods |        |        |           | Meat products |        |                 |           | Dairy products |        |       |           | Poultry and eggs |       |      |           |
|---------|----------------|--------|--------|-----------|---------------|--------|-----------------|-----------|----------------|--------|-------|-----------|------------------|-------|------|-----------|
|         | Expendi-       |        | Farm   |           | Expendi-      |        | Farm            |           | Expendi-       |        | Farm  |           | Expendi-         |       | Farm |           |
|         | tures          | value  | bill   | Marketing | tures         | value  | bill            | Marketing | tures          | value  | bill  | Marketing | tures            | value | bill | Marketing |
|         |                |        |        |           |               |        | Million dollars |           |                |        |       |           |                  |       |      |           |
| 1929    | 17,960         | 7,497  | 10,463 | 4,441     | 2,285         | 2,156  | 3,781           | 1,807     | 1,974          | 1,911  | 1,221 | 690       |                  |       |      |           |
| 1935    | 13,815         | 5,193  | 8,622  | 3,044     | 1,450         | 1,594  | 2,864           | 1,307     | 1,557          | 1,383  | 814   | 569       |                  |       |      |           |
| 1939    | 15,294         | 5,363  | 9,930  | 3,731     | 1,789         | 1,942  | 3,059           | 1,347     | 1,712          | 1,343  | 759   | 584       |                  |       |      |           |
| 1947    | 41,937         | 19,294 | 22,643 | 12,805    | 7,464         | 5,341  | 7,952           | 3,869     | 4,083          | 3,972  | 2,721 | 1,251     |                  |       |      |           |
| 1948    | 44,805         | 19,869 | 24,936 | 13,452    | 7,679         | 5,773  | 8,814           | 4,226     | 4,588          | 4,403  | 3,041 | 1,362     |                  |       |      |           |
| 1949    | 43,371         | 17,386 | 25,985 | 12,591    | 6,680         | 5,911  | 8,048           | 3,613     | 4,435          | 4,251  | 2,799 | 1,452     |                  |       |      |           |
| 1950    | 43,992         | 18,032 | 25,960 | 13,352    | 7,373         | 5,979  | 8,157           | 3,656     | 4,501          | 4,064  | 2,579 | 1,485     |                  |       |      |           |
| 1951    | 49,232         | 20,512 | 28,740 | 14,489    | 8,083         | 6,406  | 9,335           | 4,174     | 5,161          | 5,001  | 3,258 | 1,743     |                  |       |      |           |
| 1952    | 50,932         | 20,413 | 30,519 | 14,783    | 7,711         | 7,072  | 9,911           | 4,429     | 5,482          | 4,797  | 3,036 | 1,761     |                  |       |      |           |
| 1953    | 51,013         | 19,460 | 31,553 | 14,570    | 7,197         | 7,373  | 9,710           | 4,061     | 5,649          | 4,956  | 3,202 | 1,754     |                  |       |      |           |
| 1954    | 51,140         | 18,824 | 32,316 | 14,662    | 7,223         | 7,439  | 9,763           | 3,886     | 5,877          | 4,454  | 2,651 | 1,803     |                  |       |      |           |
| 1955    | 53,127         | 18,749 | 34,378 | 14,799    | 6,647         | 8,152  | 10,301          | 4,077     | 6,224          | 4,580  | 2,825 | 1,755     |                  |       |      |           |
| 1956    | 55,548         | 19,246 | 36,302 | 15,139    | 6,633         | 8,506  | 10,831          | 4,321     | 6,510          | 4,710  | 2,775 | 1,935     |                  |       |      |           |
| 1957    | 58,293         | 20,405 | 37,888 | 16,375    | 7,546         | 8,829  | 11,202          | 4,435     | 6,767          | 4,686  | 2,710 | 1,976     |                  |       |      |           |
| 1958    | 60,993         | 21,445 | 39,548 | 17,468    | 8,535         | 8,933  | 11,450          | 4,463     | 6,987          | 5,072  | 2,908 | 2,164     |                  |       |      |           |
| 1959    | 63,619         | 21,216 | 42,403 | 18,093    | 8,135         | 9,958  | 11,843          | 4,580     | 7,263          | 4,841  | 2,580 | 2,261     |                  |       |      |           |
| 1960    | 66,881         | 22,315 | 44,566 | 18,588    | 8,386         | 10,202 | 12,098          | 4,704     | 7,394          | 5,189  | 2,899 | 2,290     |                  |       |      |           |
| 1961    | 68,673         | 23,000 | 45,674 | 18,941    | 8,651         | 10,290 | 12,233          | 4,765     | 7,468          | 5,334  | 2,749 | 2,585     |                  |       |      |           |
| 1962    | 71,318         | 23,662 | 47,656 | 19,703    | 9,195         | 10,508 | 12,427          | 4,766     | 7,662          | 5,463  | 2,793 | 2,670     |                  |       |      |           |
| 1963    | 74,044         | 24,149 | 49,895 | 20,439    | 9,029         | 11,410 | 12,598          | 4,860     | 7,738          | 5,722  | 2,896 | 2,826     |                  |       |      |           |
| 1964    | 77,503         | 24,872 | 52,631 | 21,418    | 8,972         | 12,446 | 12,938          | 5,011     | 7,927          | 5,872  | 2,908 | 2,964     |                  |       |      |           |
| 1965    | 81,114         | 27,113 | 54,001 | 22,403    | 10,347        | 12,058 | 13,049          | 5,062     | 7,987          | 6,224  | 3,083 | 3,141     |                  |       |      |           |
| 1966    | 86,923         | 29,767 | 57,156 | 25,096    | 11,608        | 13,488 | 13,606          | 5,575     | 8,031          | 7,242  | 3,636 | 3,606     |                  |       |      |           |
| 1967    | 89,229         | 28,819 | 60,410 | 25,785    | 11,381        | 14,404 | 13,698          | 5,622     | 8,076          | 6,838  | 3,085 | 3,753     |                  |       |      |           |
| 1968    | 93,982         | 30,412 | 63,570 | 27,432    | 11,987        | 15,445 | 14,882          | 5,941     | 8,941          | 7,374  | 3,337 | 4,037     |                  |       |      |           |
| 1969    | 98,851         | 33,668 | 65,183 | 28,914    | 13,631        | 15,283 | 15,460          | 6,283     | 9,177          | 8,483  | 4,078 | 4,405     |                  |       |      |           |
| 1970    | 105,922        | 34,774 | 71,148 | 32,294    | 14,104        | 18,190 | 16,102          | 6,779     | 9,323          | 8,710  | 3,924 | 4,786     |                  |       |      |           |
| 1971    | 110,686        | 35,318 | 75,368 | 33,264    | 14,279        | 18,985 | 16,687          | 6,770     | 9,917          | 8,362  | 3,616 | 4,746     |                  |       |      |           |
| 1972    | 116,600        | 38,703 | 77,897 | 37,756    | 17,053        | 20,703 | 17,651          | 7,271     | 10,380         | 7,580  | 3,111 | 4,469     |                  |       |      |           |
| 1973    | 131,954        | 49,989 | 81,965 | 42,228    | 21,017        | 21,211 | 18,900          | 8,102     | 10,798         | 10,290 | 5,231 | 5,059     |                  |       |      |           |
| 1974 2/ | 147,567        | 55,530 | 92,037 | 42,876    | 19,618        | 23,258 | 21,085          | 9,195     | 11,890         | 8,645  | 4,348 |           |                  |       |      |           |

1/ Beginning with 1960, estimates are for 50 States.

2/ Preliminary.

3/ Farm value of bakery products includes farm values of flour, milk, eggs, fruit, lard, vegetable shortening, and sugar used in bakery products. Farm values of these ingredients are not included in farm values of other product groups.



Table 7 ---Marketing bill, farm value, and consumer expenditures by commodity group, for domestic farm-food products bought by civilians, 1929, 1939, 1947-74 cont'd.

| Year 1/ | Fruits and vegetables |                 |                     |                     | Grain mill products |                     |                     |                 | Bakery products 3/  |                 |                     |                     | Other foods     |                     |                     |                 |
|---------|-----------------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------|
|         | Expendi-<br>tures :   | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value :     | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : |
|         | Millions              |                 |                     |                     |                     |                     |                     |                 |                     |                 |                     |                     |                 |                     |                     |                 |
| 1929    | 3,533                 | 1,244           | 2,289               | 963                 | 366                 | 597                 | 2,100               | 308             | 1,792               | 1,231           | 266                 | 965                 |                 |                     |                     |                 |
| 1935    | 2,819                 | 840             | 1,979               | 829                 | 285                 | 544                 | 1,794               | 242             | 1,552               | 1,082           | 255                 | 827                 |                 |                     |                     |                 |
| 1939    | 3,369                 | 860             | 2,509               | 697                 | 201                 | 496                 | 1,812               | 209             | 1,603               | 1,283           | 199                 | 1,084               |                 |                     |                     |                 |
| 1947    | 7,598                 | 2,646           | 4,952               | 1,855               | 841                 | 1,014               | 4,070               | 876             | 3,194               | 3,685           | 877                 | 2,808               |                 |                     |                     |                 |
| 1948    | 7,689                 | 2,454           | 5,235               | 1,951               | 765                 | 1,186               | 4,582               | 848             | 3,734               | 3,914           | 856                 | 3,058               |                 |                     |                     |                 |
| 1949    | 8,025                 | 2,335           | 5,690               | 1,866               | 622                 | 1,244               | 4,798               | 728             | 4,070               | 3,792           | 609                 | 3,183               |                 |                     |                     |                 |
| 1950    | 7,908                 | 2,278           | 5,630               | 1,871               | 637                 | 1,234               | 4,816               | 761             | 4,055               | 3,824           | 748                 | 3,076               |                 |                     |                     |                 |
| 1951    | 9,089                 | 2,649           | 6,440               | 2,002               | 666                 | 1,336               | 5,256               | 859             | 4,397               | 4,080           | 823                 | 3,257               |                 |                     |                     |                 |
| 1952    | 10,090                | 3,008           | 7,082               | 2,031               | 637                 | 1,394               | 5,343               | 811             | 4,532               | 3,977           | 781                 | 3,196               |                 |                     |                     |                 |
| 1953    | 10,073                | 2,737           | 7,336               | 2,023               | 590                 | 1,433               | 5,430               | 834             | 4,596               | 4,251           | 839                 | 3,412               |                 |                     |                     |                 |
| 1954    | 10,278                | 2,743           | 7,535               | 2,045               | 546                 | 1,499               | 5,380               | 860             | 4,520               | 4,558           | 915                 | 3,643               |                 |                     |                     |                 |
| 1955    | 11,118                | 2,844           | 8,274               | 2,138               | 561                 | 1,577               | 5,480               | 819             | 4,661               | 4,711           | 976                 | 3,735               |                 |                     |                     |                 |
| 1956    | 11,869                | 3,064           | 8,805               | 2,254               | 583                 | 1,671               | 5,565               | 829             | 4,736               | 5,180           | 1,041               | 4,139               |                 |                     |                     |                 |
| 1957    | 12,409                | 3,211           | 9,198               | 2,435               | 615                 | 1,820               | 6,113               | 837             | 5,276               | 5,073           | 1,051               | 4,022               |                 |                     |                     |                 |
| 1958    | 12,950                | 3,085           | 9,865               | 2,642               | 612                 | 2,030               | 6,149               | 797             | 5,352               | 5,262           | 1,045               | 4,217               |                 |                     |                     |                 |
| 1959    | 13,693                | 3,366           | 10,327              | 2,567               | 566                 | 2,001               | 6,614               | 815             | 5,799               | 5,968           | 1,173               | 4,795               |                 |                     |                     |                 |
| 1960    | 14,673                | 3,497           | 11,176              | 2,565               | 555                 | 2,010               | 6,828               | 883             | 5,945               | 6,940           | 1,391               | 5,549               |                 |                     |                     |                 |
| 1961    | 15,014                | 3,589           | 11,425              | 2,548               | 543                 | 2,005               | 7,026               | 997             | 6,029               | 7,576           | 1,704               | 5,872               |                 |                     |                     |                 |
| 1962    | 15,785                | 3,596           | 12,189              | 2,555               | 564                 | 1,991               | 7,357               | 1,072           | 6,285               | 8,027           | 1,675               | 6,352               |                 |                     |                     |                 |
| 1963    | 16,154                | 3,687           | 12,467              | 2,575               | 540                 | 2,035               | 7,703               | 1,155           | 6,548               | 8,853           | 1,982               | 6,871               |                 |                     |                     |                 |
| 1964    | 17,084                | 4,179           | 12,905              | 2,780               | 568                 | 2,212               | 7,980               | 1,182           | 6,798               | 9,431           | 2,052               | 7,379               |                 |                     |                     |                 |
| 1965    | 17,782                | 4,520           | 13,262              | 3,045               | 619                 | 2,426               | 8,193               | 1,256           | 6,937               | 10,416          | 2,226               | 8,190               |                 |                     |                     |                 |
| 1966    | 18,585                | 4,469           | 14,116              | 3,031               | 637                 | 2,394               | 8,299               | 1,364           | 6,935               | 11,064          | 2,478               | 8,586               |                 |                     |                     |                 |
| 1967    | 19,288                | 4,492           | 14,796              | 3,259               | 636                 | 2,623               | 8,855               | 1,314           | 7,541               | 11,506          | 2,289               | 9,217               |                 |                     |                     |                 |
| 1968    | 19,834                | 4,925           | 14,909              | 3,277               | 608                 | 2,669               | 9,092               | 1,286           | 7,806               | 12,091          | 2,328               | 9,763               |                 |                     |                     |                 |
| 1969    | 20,633                | 5,160           | 15,473              | 3,275               | 608                 | 2,667               | 9,257               | 1,317           | 7,940               | 12,828          | 2,591               | 10,237              |                 |                     |                     |                 |
| 1970    | 21,770                | 5,033           | 16,737              | 3,242               | 552                 | 2,690               | 9,635               | 1,383           | 8,252               | 14,171          | 2,999               | 11,172              |                 |                     |                     |                 |
| 1971    | 22,952                | 5,209           | 17,743              | 3,239               | 562                 | 2,677               | 11,210              | 1,572           | 9,638               | 14,972          | 3,310               | 11,662              |                 |                     |                     |                 |
| 1972    | 22,785                | 5,483           | 17,302              | 3,330               | 608                 | 2,722               | 11,628              | 1,728           | 9,900               | 15,870          | 3,449               | 12,421              |                 |                     |                     |                 |
| 1973    | 27,961                | 7,248           | 20,713              | 4,095               | 917                 | 3,178               | 12,707              | 2,663           | 10,044              | 15,773          | 4,811               | 10,962              |                 |                     |                     |                 |
| 1974    | 31,562                | 8,506           | 23,056              | 5,189               | 1,258               | 3,931               | 15,568              | 3,636           | 11,932              | 22,642          | 9,020               | 13,622              |                 |                     |                     |                 |

Expenditures for meat products, which represented about 30 percent of total food consumption expenditures, were up only 1½ percent over 1973. Retail prices were generally lower, with the average price for all beef declining 17 percent from 1973's record high. This was a reflection of expanded supply and erosion in the farm price of beef. The quantity of pork purchased rose to the level of 1972 from the 1973 low and, although farm prices consequently dropped, increases in marketing costs resulted in high retail prices and an increase in consumer expenditures for pork (table 8).

Dairy product expenditures rose 11½ percent in 1974. Higher prices accounted for almost all the increase as volume rose only 1½ percent.

Consumer expenditures for poultry products decreased sharply from the 1973 high. The 16 percent decline was due almost entirely to price reductions as volume fell by only 4 percent. The lower poultry prices were partly a reflection of larger red meat supplies at lower prices.

Fruit and vegetable expenditures rose by about 13 percent in 1974 due mostly to higher prices. The quantity of fruits and vegetables available for purchase increased by less than 1 percent.

Grain mill product expenditures increased 26 percent in 1974, faster than the previous year's record 24 percent increase. All of the increase came in higher prices as the volume marketed was down slightly. Bakery product expenditures rose 22 percent, the largest annual increase ever. Almost all of the increase resulted from higher prices; volume was up only slightly. Retail prices of these products rose considerably, reflecting sharply higher farm values following last year's crop shortages and continuing strong world demand for grain in 1974.

The fastest increase in last year's rapid rise in consumer expenditures was in the other foods category, which includes sugar and fats and oils products. A 10 percent increase in retail volume coupled with sharply higher farm prices pushed consumer expenditures for these foods up 44 percent.

Expenditures for U.S. farm foods (excludes seafoods and imported foods) accounted for 15.1 percent of personal disposable income in 1974 (table 9, fig. 3). This is the first marked increase in the portion of income spent on food since World War II. The upturn is reflected in both the farm value and the marketing bill. This increase follows a steady 27-year decline from 24.7 percent in 1947. The low point was reached in 1972 with 14.5 percent of disposable income being spent for farm foods.

#### Farm Value

U.S. farmers received \$55.5 billion for farm food products in 1974, 11 percent more than the previous year. In 1973, farm value rose a record one-third. The largest increase in 1974 was in the other foods category, which includes sugar and fats and oils. A

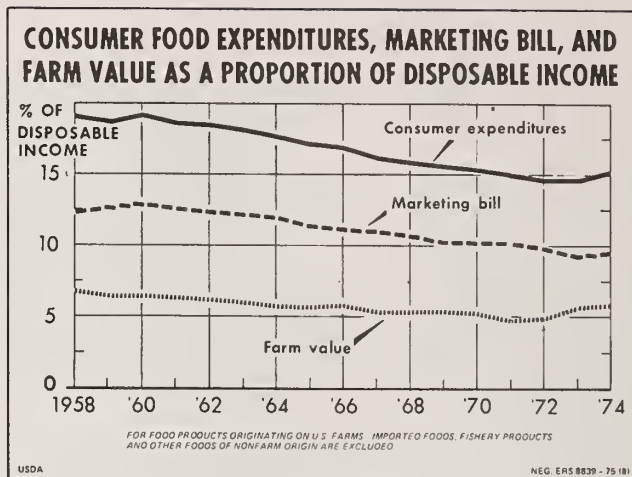


Figure 3

\$4.2 billion increase in the farm value of this food group accounted for three-fourths the total increase for all farm foods.

Two of the groups that showed large increases in 1973—meat and poultry and eggs—posted declines in farm value in 1974. In the case of meat, the increased volume was more than offset by lower prices, while in poultry and eggs the decline in farm value was due to both lower prices and sharp decrease in volume.

For other products, increases in farm value ranged from 13 percent for dairy products to 37 percent for grain mill products (table 7). Most of the changes in farm value were attributable to price changes. An overall farm-price weighted volume index of farm foods marketed increased by 1.2 percent in 1974. Meat product volume was up the most, 9.6 percent; poultry and eggs decreased the most, 15 percent. Other groups were basically unchanged.

Farm values in the last 2 years have shown great and continuing increases in grain mill, bakery, and miscellaneous products, all of which have more than doubled. Much of this is attributed to price rises that resulted from short supplies.

#### Marketing Bill

The marketing bill for farm food products—the difference between consumer expenditures and farm value—rose to \$92 billion in 1974, up 12 percent from 1973 and the largest increase recorded. Much of the rise is attributable to the unleashing of inflationary pressures built up during the period of price controls which were relaxed in late 1973. The marketing bill increased for all seven food groups (fig. 4). The greatest increase was in the other foods category, 24 percent, which accounted for about one-third the total increase in the marketing bill. Grain mill products and bakery products continued to post sharp increases of 24 and 19 percent, respectively. The marketing bill for meat and dairy products both



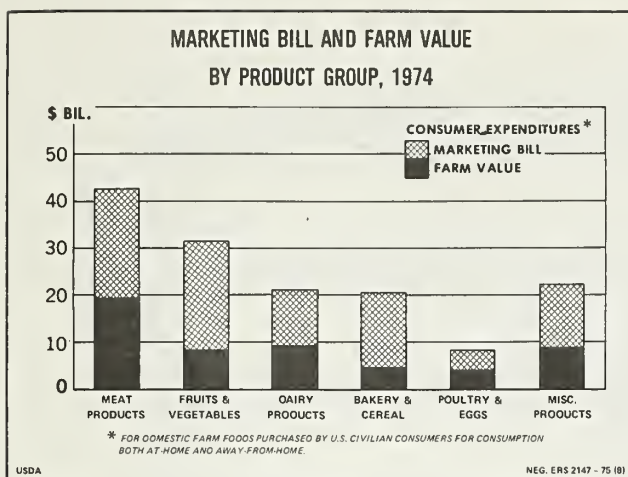


Figure 4

increased by 10 percent, fruits and vegetables by 11 percent, and poultry and eggs by 14 percent.

**Factors Behind Marketing Bill Increase:** Increases in the marketing bill over the years have been due to growth in volume of food marketed, increases in marketing services, and the cost of performing these services. Changes in the volume of food are the result of growth in population and shifts in the mix of per capita consumption. Increased marketing services involve the use of more highly prepared foods, such as convenience foods, and more eating out. Increased costs of marketing services reflect rising costs of inputs such as labor and packaging materials.

Higher costs of marketing services constituted 95 percent of the total increase in the 1974 marketing bill. The remaining increase in the bill was accounted for by a slightly larger volume of food marketed. These two factors were partially offset by a decrease in the level of services—including a reduction in the consumption of highly processed foods and less eating out during the recessionary period.

### Cost Components of the Marketing Bill

**Labor:** Labor costs for marketing domestic farm food products increased to \$46.7 billion in 1974, about half the total marketing bill (table 10, fig. 5). The 15 percent rise over the year before represents a rate twice that of the past decade. Labor employed in food retailing and away-from-home eating now accounts for almost six-tenths of the total labor bill for marketing farm foods. Processors' labor costs accounted for 28 percent of the total with wholesaling the remaining 14 percent. Labor costs include wages and salaries of employees, wage supplements, and tips received by food service employees.

The increase in labor costs in 1974 came from a large increase in hourly labor costs and a slight increase in total manhours worked by employees of food marketing firms. Hourly labor costs increased

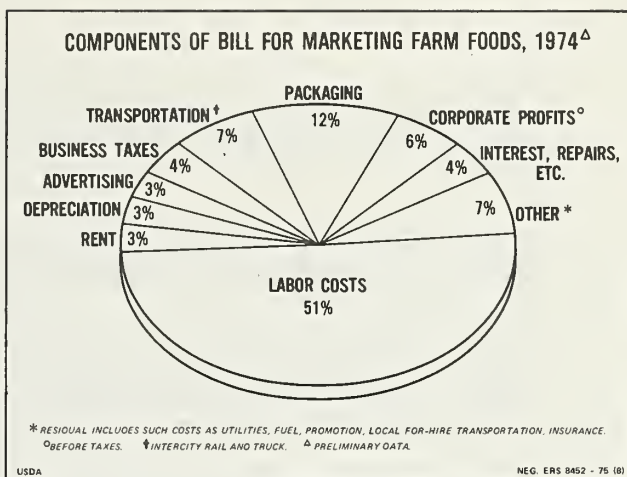


Figure 5

12.2 percent from 1973 to 1974, two-thirds faster than the annual increase of the previous 5 years.

Unit labor costs rose 12.5 percent in 1974, reflecting the large rise in hourly labor costs coupled with only a small increase in retail volume (table 11). Distribution agencies—wholesalers, retailers, public eating places—posted a 30 percent increase in per unit labor costs in the past 2 years while processors' costs increased 11 percent. Processing for the past 25 years has enjoyed a more limited rise in unit cost than the distribution sectors. This is a result of the greater mechanization potential of processing and the historically higher wages paid processing workers, which encouraged the substitution of capital for labor. Since 1947, unit costs have climbed 212 percent in the distribution sector versus 111 percent for processing. About half the growth in unit labor costs in food processing and distribution has occurred since 1967.

Employment in food marketing has continued to go up gradually during the past few years as a result of an overall increase in the volume of food handled by the marketing system and increases in services per unit. The farm food marketing system employed 6.2 million workers (full-time equivalent basis) in 1974, up slightly from 1973. Since 1967, the total number of full-time equivalent employees in food marketing has advanced by 22 percent while the civilian population increased only 7.4 percent during the same period. The leading cause for more full-time employees is the enlarged away-from-home eating market (36 percent more employees), but the number of employees also increased for food stores (16.4 percent), wholesaling (22.4 percent), and processing (10.4 percent) since 1967.

While the number of employees has grown in food marketing, little change occurred in the manhours per unit of product (as measured by the retail volume index) used to assemble, process, and distribute farm foods since 1967 (fig. 6). However, significant

Table 8.--Marketing bill, farm value, and consumer expenditures for domestic farm-food products bought by civilians, 1958-74.

| Year 1/         | All farm food       |                 |                     |                     | Beef            |                     |                     |                 | Pork                |                 |                     |                     | Other red meats |                     |                     |                 |
|-----------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------|
|                 | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : |
| Million dollars |                     |                 |                     |                     |                 |                     |                     |                 |                     |                 |                     |                     |                 |                     |                     |                 |
| 1958            | 60,993              | 21,445          | 39,548              | 8,998.8             | 4,771.3         | 4,227.6             | 7,101.3             | 3,041.8         | 4,059.5             | 1,367.9         | 722.0               | 645.9               |                 |                     |                     |                 |
| 1959            | 63,619              | 21,216          | 42,403              | 9,419.8             | 4,936.0         | 4,483.8             | 7,380.4             | 2,547.5         | 4,832.9             | 1,292.9         | 651.5               | 641.3               |                 |                     |                     |                 |
| 1960            | 66,881              | 22,315          | 44,566              | 10,015.6            | 5,044.2         | 5,011.4             | 7,181.5             | 2,732.3         | 4,449.2             | 1,390.9         | 649.5               | 741.4               |                 |                     |                     |                 |
| 1961            | 68,673              | 23,000          | 45,674              | 10,233.5            | 5,098.2         | 5,135.4             | 7,367.2             | 2,924.4         | 4,442.8             | 1,340.3         | 628.4               | 711.7               |                 |                     |                     |                 |
| 1962            | 71,318              | 23,662          | 47,656              | 10,530.5            | 5,511.2         | 5,019.2             | 7,784.2             | 3,015.2         | 4,769.2             | 1,388.1         | 668.6               | 719.6               |                 |                     |                     |                 |
| 1963            | 74,044              | 24,149          | 49,895              | 11,235.6            | 5,539.6         | 5,096.0             | 7,904.4             | 2,880.5         | 5,023.9             | 1,299.1         | 608.9               | 690.1               |                 |                     |                     |                 |
| 1964            | 77,503              | 24,872          | 52,631              | 12,152.9            | 5,544.3         | 6,608.6             | 7,911.2             | 2,841.5         | 5,069.8             | 1,353.9         | 586.2               | 767.6               |                 |                     |                     |                 |
| 1965            | 81,114              | 27,113          | 54,001              | 13,035.4            | 6,217.5         | 6,817.9             | 8,020.4             | 3,517.2         | 4,503.3             | 1,350.2         | 612.3               | 737.8               |                 |                     |                     |                 |
| 1966            | 86,923              | 29,767          | 57,156              | 14,539.0            | 7,127.6         | 7,411.5             | 9,182.4             | 3,848.1         | 5,334.2             | 1,374.6         | 632.3               | 742.3               |                 |                     |                     |                 |
| 1967            | 89,229              | 28,819          | 60,410              | 14,983.2            | 7,276.4         | 7,706.8             | 9,493.4             | 3,526.5         | 5,966.9             | 1,308.4         | 578.1               | 730.3               |                 |                     |                     |                 |
| 1968            | 93,982              | 30,412          | 63,570              | 16,137.6            | 7,838.6         | 8,299.0             | 9,966.0             | 3,573.6         | 6,392.4             | 1,328.4         | 584.8               | 753.6               |                 |                     |                     |                 |
| 1969            | 98,851              | 33,668          | 65,183              | 17,324.2            | 8,944.4         | 8,382.8             | 10,291.4            | 4,103.1         | 6,188.3             | 1,298.4         | 586.5               | 711.9               |                 |                     |                     |                 |
| 1970            | 105,922             | 34,774          | 71,148              | 19,045.2            | 9,333.4         | 9,711.8             | 11,901.1            | 4,207.3         | 7,693.8             | 1,347.7         | 563.3               | 784.4               |                 |                     |                     |                 |
| 1971            | 110,686             | 35,318          | 75,368              | 19,998.4            | 10,145.0        | 9,853.4             | 11,870.6            | 3,568.0         | 8,302.6             | 1,395.0         | 566.0               | 829.0               |                 |                     |                     |                 |
| 1972            | 116,600             | 38,703          | 77,897              | 24,000.0            | 11,841.0        | 12,159.0            | 12,346.9            | 4,629.0         | 7,717.9             | 1,409.1         | 583.0               | 826.1               |                 |                     |                     |                 |
| 1973            | 131,954             | 49,989          | 81,965              | 26,738.3            | 14,151.0        | 12,587.3            | 14,076.4            | 6,299.0         | 7,777.4             | 1,413.3         | 567.0               | 846.3               |                 |                     |                     |                 |
| 1974 2/         | 147,567             | 55,530          | 92,037              | 26,054.7            | 12,928.0        | 13,126.7            | 15,334.0            | 6,154.0         | 9,180.0             | 1,487.3         | 536.0               | 951.3               |                 |                     |                     |                 |

| Year 1/ | Fluid milk and cream |                 |                     |                     | Other dairy products |                     |                     |                 | Poultry             |                 |                     |                     | Eggs            |                     |                     |                 |
|---------|----------------------|-----------------|---------------------|---------------------|----------------------|---------------------|---------------------|-----------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------|
|         | Expendi-<br>tures :  | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value :      | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : | Marketing<br>bill : | Expendi-<br>tures : | Farm<br>value : |
| 1958    | 6,743.5              | 2,701.9         | 4,041.6             | 4,706.5             | 1,761.1              | 2,945.4             | 2,594.8             | 1,391.0         | 1,203.9             | 2,477.1         | 1,517.0             | 960.1               |                 |                     |                     |                 |
| 1959    | 6,900.5              | 2,731.6         | 4,168.9             | 4,942.5             | 1,848.4              | 3,094.1             | 2,554.8             | 1,330.3         | 1,224.6             | 2,286.1         | 1,249.7             | 1,036.4             |                 |                     |                     |                 |
| 1960    | 7,109.8              | 2,819.7         | 4,290.1             | 4,988.2             | 1,884.3              | 3,103.9             | 2,711.2             | 1,433.9         | 1,277.3             | 2,477.8         | 1,465.1             | 1,012.7             |                 |                     |                     |                 |
| 1961    | 7,036.3              | 2,809.3         | 4,226.9             | 5,196.7             | 1,955.7              | 3,241.1             | 2,794.0             | 1,305.1         | 1,488.9             | 2,540.0         | 1,443.9             | 1,096.1             |                 |                     |                     |                 |
| 1962    | 7,085.0              | 2,809.7         | 4,275.3             | 5,342.0             | 1,956.3              | 3,385.7             | 2,968.4             | 1,456.2         | 1,512.1             | 2,494.6         | 1,336.8             | 1,157.9             |                 |                     |                     |                 |
| 1963    | 7,185.0              | 2,863.3         | 4,321.7             | 5,413.0             | 1,996.7              | 3,416.3             | 3,127.9             | 1,492.9         | 1,635.0             | 2,594.0         | 1,403.1             | 1,191.0             |                 |                     |                     |                 |
| 1964    | 7,381.5              | 2,956.3         | 4,425.1             | 5,536.5             | 2,054.7              | 3,501.9             | 3,216.2             | 1,497.7         | 1,718.5             | 2,655.9         | 1,410.4             | 1,245.5             |                 |                     |                     |                 |
| 1965    | 7,417.5              | 2,987.7         | 4,429.7             | 5,631.5             | 2,074.3              | 3,557.3             | 3,600.4             | 1,694.1         | 1,906.4             | 2,623.6         | 1,388.9             | 1,234.7             |                 |                     |                     |                 |
| 1966    | 7,815.9              | 3,276.1         | 4,539.8             | 5,790.1             | 2,298.9              | 3,491.2             | 4,189.4             | 1,855.7         | 2,333.7             | 3,052.6         | 1,780.3             | 1,272.3             |                 |                     |                     |                 |
| 1967    | 7,945.0              | 3,391.9         | 4,553.1             | 5,753.0             | 2,230.1              | 3,522.9             | 4,159.6             | 1,737.8         | 2,421.8             | 2,678.4         | 1,347.2             | 1,331.2             |                 |                     |                     |                 |
| 1968    | 8,416.7              | 3,522.9         | 4,893.8             | 6,465.3             | 2,418.1              | 4,047.2             | 4,397.7             | 1,832.8         | 2,564.9             | 2,976.3         | 1,504.2             | 1,472.1             |                 |                     |                     |                 |
| 1969    | 8,453.2              | 3,602.1         | 4,851.1             | 7,006.8             | 2,680.9              | 4,325.9             | 4,397.5             | 2,107.7         | 2,878.8             | 3,499.5         | 1,970.3             | 1,529.2             |                 |                     |                     |                 |
| 1970    | 8,602.1              | 3,801.0         | 4,801.1             | 7,499.9             | 2,978.0              | 4,521.9             | 5,267.7             | 2,081.8         | 3,185.9             | 3,442.3         | 1,842.2             | 1,600.1             |                 |                     |                     |                 |
| 1971    | 8,860.8              | 3,785.9         | 5,074.9             | 7,826.2             | 2,984.1              | 4,842.1             | 5,251.0             | 2,094.2         | 3,156.8             | 3,111.0         | 1,821.8             | 1,589.2             |                 |                     |                     |                 |
| 1972    | 9,080.6              | 3,799.2         | 5,281.4             | 8,570.4             | 3,471.8              | 5,098.6             | 4,725.1             | 1,677.9         | 3,047.2             | 2,854.9         | 1,433.1             | 1,421.8             |                 |                     |                     |                 |
| 1973    | 9,514.8              | 4,130.4         | 5,384.4             | 9,385.2             | 3,971.6              | 5,413.6             | 6,671.1             | 3,173.8         | 3,497.3             | 3,618.9         | 2,057.2             | 1,561.7             |                 |                     |                     |                 |
| 1974 2/ | 10,906.8             | 4,794.0         | 6,112.8             | 10,178.2            | 4,401.0              | 5,777.2             | 5,547.0             | 2,510.3         | 3,036.7             | 3,098.0         | 1,786.7             | 1,311.3             |                 |                     |                     |                 |

Continued



Table 8.--Marketing bill, farm value, and consumer expenditures for domestic farm-food products bought by civilians, 1958-74--Continued.

| Year                | Fresh fruits and melons |               |                   | Fresh vegetables  |               |                   | Processed fruits  |               |                   | Processed vegetables |               |                   |
|---------------------|-------------------------|---------------|-------------------|-------------------|---------------|-------------------|-------------------|---------------|-------------------|----------------------|---------------|-------------------|
|                     | Expendi-<br>tures       | Farm<br>value | Marketing<br>bill | Expendi-<br>tures | Farm<br>value | Marketing<br>bill | Expendi-<br>tures | Farm<br>value | Marketing<br>bill | Expendi-<br>tures    | Farm<br>value | Marketing<br>bill |
| Million dollars     |                         |               |                   |                   |               |                   |                   |               |                   |                      |               |                   |
| 1958                | 2,571.4                 | 795.1         | 1,776.3           | 4,336.2           | 1,259.6       | 3,076.6           | 2,050.5           | 485.0         | 1,565.5           | 3,991.9              | 545.3         | 3,446.6           |
| 1959                | 2,612.9                 | 878.7         | 1,734.2           | 4,498.9           | 1,322.9       | 3,176.0           | 2,221.6           | 549.5         | 1,672.1           | 4,359.6              | 614.9         | 3,744.7           |
| 1960                | 2,754.2                 | 899.8         | 1,854.5           | 4,723.9           | 1,426.7       | 3,297.2           | 2,577.4           | 564.6         | 2,012.8           | 4,617.4              | 605.9         | 4,011.5           |
| 1961                | 2,774.5                 | 900.9         | 1,873.6           | 4,641.4           | 1,390.3       | 3,251.1           | 2,716.9           | 674.5         | 2,042.4           | 4,881.2              | 623.3         | 4,257.9           |
| 1962                | 2,804.8                 | 869.1         | 1,935.8           | 4,992.0           | 1,424.5       | 3,567.5           | 2,712.2           | 612.8         | 2,099.4           | 5,275.9              | 689.7         | 4,586.3           |
| 1963                | 2,782.9                 | 894.5         | 1,888.3           | 5,180.6           | 1,456.2       | 3,724.4           | 2,726.6           | 605.7         | 2,120.9           | 5,464.0              | 730.5         | 4,733.4           |
| 1964                | 2,949.2                 | 970.1         | 1,979.1           | 5,459.9           | 1,662.9       | 3,797.0           | 2,829.2           | 751.2         | 2,077.9           | 5,845.7              | 794.8         | 5,051.0           |
| 1965                | 2,931.3                 | 956.8         | 1,974.5           | 5,781.3           | 1,765.9       | 4,015.4           | 2,751.3           | 665.0         | 2,086.2           | 6,318.0              | 1,132.2       | 5,185.8           |
| 1966                | 3,140.9                 | 1,000.8       | 2,140.0           | 5,871.8           | 1,804.6       | 4,067.2           | 2,865.9           | 666.4         | 2,199.5           | 6,706.4              | 997.1         | 5,709.3           |
| 1967                | 3,191.6                 | 1,059.9       | 2,131.7           | 5,889.3           | 1,725.5       | 4,163.8           | 3,067.2           | 702.0         | 2,365.2           | 7,139.9              | 1,004.6       | 6,135.3           |
| 1968                | 3,374.9                 | 1,179.1       | 2,195.8           | 6,163.9           | 1,815.8       | 4,348.1           | 3,018.3           | 840.1         | 2,178.2           | 7,276.9              | 1,090.0       | 6,186.9           |
| 1969                | 3,454.2                 | 1,039.8       | 2,414.4           | 6,326.0           | 1,928.9       | 4,397.2           | 3,231.7           | 866.5         | 2,365.2           | 7,621.1              | 1,324.8       | 6,296.2           |
| 1970                | 3,793.8                 | 1,181.6       | 2,612.2           | 6,815.1           | 1,862.3       | 4,952.8           | 3,382.7           | 813.7         | 2,569.0           | 7,778.4              | 1,175.4       | 6,603.0           |
| 1971                | 4,159.0                 | 1,152.8       | 3,006.2           | 6,894.2           | 2,021.8       | 4,872.4           | 3,736.1           | 771.1         | 2,965.0           | 8,162.7              | 1,263.3       | 6,899.4           |
| 1972                | 3,883.9                 | 1,214.3       | 2,669.6           | 7,224.9           | 2,193.2       | 5,031.7           | 3,371.3           | 844.4         | 2,526.9           | 8,304.9              | 1,231.1       | 7,073.8           |
| 1973                | 4,810.5                 | 1,639.9       | 3,170.6           | 9,354.5           | 2,821.6       | 6,532.9           | 4,069.7           | 970.7         | 3,099.1           | 9,726.1              | 1,815.8       | 7,910.4           |
| 1974 2/             | 5,561.2                 | 1,859.9       | 3,701.3           | 9,771.6           | 2,775.5       | 6,996.1           | 4,459.8           | 1,141.6       | 3,318.2           | 11,769.4             | 2,729.0       | 9,040.4           |
| Grain mill products |                         |               |                   |                   |               |                   |                   |               |                   |                      |               |                   |
| Expendi-<br>tures   |                         |               | Marketing<br>bill |                   |               | Bakery products   |                   |               | Fats and oils     |                      |               | Other foods       |
|                     |                         |               |                   |                   |               |                   |                   |               |                   |                      |               |                   |
| Million dollars     |                         |               |                   |                   |               |                   |                   |               |                   |                      |               |                   |
| 1958                | 2,642.0                 | 610.7         | 2,031.3           | 6,149.0           | 797.0         | 5,352.0           | 1,384.7           | 384.7         | 1,000.0           | 3,877.3              | 658.6         | 3,218.7           |
| 1959                | 2,567.0                 | 564.7         | 2,002.3           | 6,614.0           | 815.0         | 5,799.0           | 1,616.8           | 420.3         | 1,196.4           | 4,351.2              | 752.7         | 3,598.5           |
| 1960                | 2,565.0                 | 555.0         | 2,010.0           | 6,828.0           | 883.0         | 5,945.0           | 1,655.3           | 480.4         | 1,174.9           | 5,284.8              | 910.7         | 4,374.1           |
| 1961                | 2,548.0                 | 541.8         | 2,006.2           | 7,026.0           | 997.0         | 6,029.0           | 1,781.5           | 656.6         | 1,124.9           | 5,794.6              | 1,047.4       | 4,747.1           |
| 1962                | 2,555.0                 | 564.0         | 1,991.0           | 7,357.0           | 1,072.0       | 6,285.0           | 1,924.9           | 570.5         | 1,354.6           | 6,102.0              | 1,104.6       | 4,997.4           |
| 1963                | 2,575.0                 | 540.0         | 2,035.0           | 7,703.0           | 1,155.0       | 6,548.0           | 2,118.8           | 628.8         | 1,489.9           | 6,734.2              | 1,353.1       | 5,381.1           |
| 1964                | 2,780.0                 | 568.0         | 2,212.0           | 7,980.0           | 1,182.0       | 6,798.0           | 2,264.4           | 678.8         | 1,585.6           | 7,166.7              | 1,373.3       | 5,793.4           |
| 1965                | 3,045.0                 | 617.8         | 2,427.2           | 8,193.0           | 1,256.0       | 6,937.0           | 2,608.7           | 824.8         | 1,783.8           | 7,807.4              | 1,401.2       | 6,406.2           |
| 1966                | 3,031.0                 | 635.9         | 2,395.1           | 8,299.0           | 1,364.0       | 6,935.0           | 2,938.8           | 982.9         | 1,956.0           | 8,125.2              | 1,495.1       | 6,630.0           |
| 1967                | 3,259.0                 | 636.0         | 2,623.0           | 8,855.0           | 1,314.0       | 7,541.0           | 2,923.3           | 788.3         | 2,135.0           | 8,582.7              | 1,500.7       | 7,082.0           |
| 1968                | 3,277.0                 | 608.0         | 2,669.0           | 9,092.0           | 1,286.0       | 7,806.0           | 2,998.7           | 747.2         | 2,251.5           | 9,092.3              | 1,580.8       | 7,511.5           |
| 1969                | 3,275.0                 | 608.0         | 2,667.0           | 9,257.0           | 1,317.0       | 7,940.0           | 3,272.4           | 893.7         | 2,378.7           | 9,555.6              | 1,697.3       | 7,858.3           |
| 1970                | 3,242.0                 | 552.0         | 2,690.0           | 9,635.0           | 1,383.0       | 8,252.0           | 3,813.9           | 1,206.3       | 2,607.6           | 10,259.1             | 1,792.7       | 8,564.4           |
| 1971                | 3,239.0                 | 562.0         | 2,677.0           | 11,210.0          | 1,572.0       | 9,638.0           | 4,220.9           | 1,337.1       | 2,883.8           | 10,751.1             | 1,972.9       | 8,778.2           |
| 1972                | 3,330.0                 | 608.0         | 2,722.0           | 11,628.0          | 1,728.0       | 9,900.0           | 4,522.2           | 1,271.5       | 3,250.7           | 11,347.8             | 2,177.5       | 9,170.3           |
| 1973                | 4,095.0                 | 917.0         | 3,178.0           | 12,707.0          | 2,663.0       | 10,044.0          | 5,395.6           | 2,040.7       | 3,344.9           | 10,387.4             | 2,770.3       | 7,617.1           |
| 1974 2/             | 5,189.0                 | 1,258.0       | 3,931.0           | 15,568.0          | 3,616.0       | 11,932.0          | 8,262.0           | 3,762.0       | 4,500.7           | 14,379.3             | 5,258.0       | 9,121.3           |

1/ Beginning with 1960, estimates are for 50 States.

2/ Preliminary.

Table 9.--Consumer expenditures, marketing bill, and farm value for domestic farm-food products as a proportion of disposable income, 1929, 1935, 1939, 1947-74

| Year | Disposable :<br>personal :<br>income : | Value of U. S. farm foods    |                       | :U.S. farm foods share of disposable income |   |      |      |
|------|--|------------------------------|-----------------------|---|---|------|------|
|      |  | Consumer :<br>expenditures : | Marketing :<br>bill : | Farm :<br>value :                           | Consumer :<br>expenditures :<br>bill :<br>value : |      |      |
|      |  | Billion dollars              |                       | Percent                                     |   |      |      |
| 1929 | 83.3                                   | 18.0                         | 10.5                  | 7.5   | 21.6  | 12.6 | 9.0  |
| 1935 | 58.5                                   | 13.8                         | 8.6                   | 5.2   | 23.6  | 14.7 | 8.9  |
| 1939 | 70.3                                   | 15.3                         | 9.9                   | 5.4   | 21.8  | 14.1 | 7.7  |
| 1947 | 169.8                                  | 41.9                         | 22.6                  | 19.3  | 24.7  | 13.3 | 11.4 |
| 1948 | 189.1                                  | 44.8                         | 24.9                  | 19.9  | 23.7  | 13.2 | 10.5 |
| 1949 | 188.6                                  | 43.4                         | 26.0                  | 17.4  | 23.0  | 13.8 | 9.2  |
| 1950 | 206.9                                  | 44.0                         | 26.0                  | 18.0  | 21.3  | 12.6 | 8.7  |
| 1951 | 226.6                                  | 49.2                         | 28.7                  | 20.5  | 21.7  | 12.7 | 9.0  |
| 1952 | 238.3                                  | 50.9                         | 30.5                  | 20.4  | 21.4  | 12.8 | 8.6  |
| 1953 | 252.6                                  | 51.0                         | 31.5                  | 19.5  | 20.2  | 12.5 | 7.7  |
| 1954 | 257.4                                  | 51.1                         | 32.3                  | 18.8  | 19.9  | 12.6 | 7.3  |
| 1955 | 275.3                                  | 53.1                         | 34.4                  | 18.7  | 19.3  | 12.5 | 6.8  |
| 1956 | 293.2                                  | 55.5                         | 36.3                  | 19.2  | 18.9  | 12.4 | 6.5  |
| 1957 | 308.5                                  | 58.3                         | 37.9                  | 20.4  | 18.9  | 12.3 | 6.6  |
| 1958 | 318.8                                  | 61.0                         | 39.6                  | 21.4  | 19.1  | 12.4 | 6.7  |
| 1959 | 337.3                                  | 63.6                         | 42.4                  | 21.2  | 18.9  | 12.6 | 6.3  |
| 1960 | 350.0                                  | 66.9                         | 44.6                  | 22.3  | 19.1  | 12.7 | 6.4  |
| 1961 | 364.4                                  | 68.7                         | 45.7                  | 23.0  | 18.8  | 12.5 | 6.3  |
| 1962 | 385.3                                  | 71.3                         | 47.6                  | 23.7  | 18.5  | 12.4 | 6.1  |
| 1963 | 404.6                                  | 74.0                         | 49.9                  | 24.1  | 18.3  | 12.3 | 6.0  |
| 1964 | 438.1                                  | 77.5                         | 52.6                  | 24.9  | 17.7  | 12.0 | 5.7  |
| 1965 | 473.2                                  | 81.1                         | 54.0                  | 27.1  | 17.1  | 11.4 | 5.7  |
| 1966 | 511.9                                  | 86.9                         | 57.1                  | 29.8  | 17.0  | 11.2 | 5.8  |
| 1967 | 546.3                                  | 89.2                         | 60.4                  | 28.8  | 16.3  | 11.0 | 5.3  |
| 1968 | 591.0                                  | 94.0                         | 63.6                  | 30.4  | 15.9  | 10.8 | 5.1  |
| 1969 | 634.4                                  | 98.8                         | 65.2                  | 33.7  | 15.6  | 10.3 | 5.3  |
| 1970 | 691.7                                  | 105.9                        | 71.1                  | 34.8  | 15.3  | 10.3 | 5.0  |
| 1971 | 746.4                                  | 110.7                        | 75.4                  | 35.3  | 14.8  | 10.1 | 4.7  |
| 1972 | 802.5                                  | 116.6                        | 77.9                  | 38.7  | 14.5  | 9.7  | 4.8  |
| 1973 | 903.7                                  | 132.0                        | 82.0                  | 50.0  | 14.6  | 9.1  | 5.5  |
| 1974 | 979.7                                  | 147.6                        | 92.0                  | 55.6  | 15.1  | 9.4  | 5.7  |





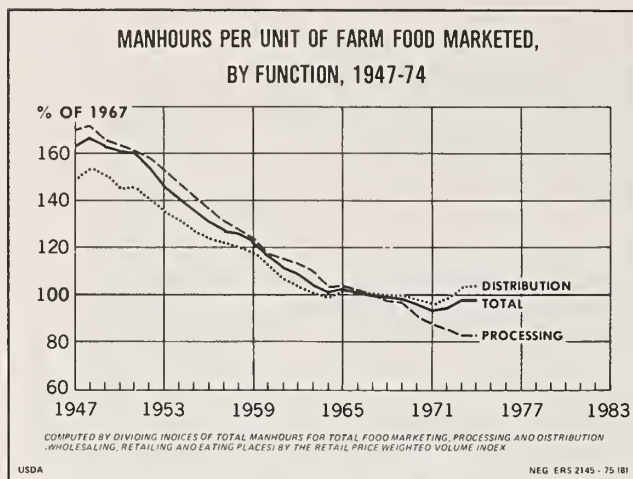


Figure 6

changes occurred among marketing functions. Because of automation, processing now takes 17 percent less labor per unit of farm foods marketed than in 1967. But more labor is now required for distribution. Wholesaling has shown a slight decrease of 3 percent but food stores and eating places have increased their use of labor. Food stores now use 3 percent more manhours per unit of product than in 1967, while eating places have increased their use of labor per unit by 8 percent.

Hourly labor cost for all food marketing employees has increased 65 percent since 1967 (table 11). This increase in hourly labor cost along with additional employees boosted total labor cost in food marketing by 80 percent since 1967. The growth in labor cost for processing has been less than for retailing and wholesaling because of a reduction in labor usage. Hourly labor cost in processing was \$5.53 in 1974, the highest of all food marketing agencies, providing an incentive to replace labor by mechanization. Wholesaling, which also has shown a slight decrease in labor usage, had average hourly labor cost of \$4.82. Food store and eating places had hourly labor cost of \$4.30 and \$3.25, respectively, in 1974.

**Packaging:** The costs of food packaging materials in 1974 was estimated to be \$11 billion, an increase of 10.7 percent over 1973 and more than double the increase the preceding year. Packaging material costs represented 12 percent of the marketing bill, the same share it has been for a number of years.

Wholesale prices of all packaging materials increased 26.8 percent during 1974, with virtually all of the jump coming after price controls were lifted in April. Price increases slowed in 1975, rising less than 3 percent during January, February, and March. April-July estimated wholesale prices showed a 0.5 percent decline.

With the value of packaging materials increasing less than wholesale prices, there apparently was a cutback in the quantity of material used last year.

However, the quantity used probably declined much less than the price changes indicate, due to buying as much as a year in advance by food processors and the fact that price increases occurred the latter part of the year. Shipments of various containers and packaging materials to processors was mixed. As an example, shipments of narrow neck glass bottles for food increased 3.6 percent in 1974 over 1973, whereas nonreturnable narrow necks for beverages decreased 6.7 percent. Shipments of metal cans for vegetables and vegetable juices increased 7 percent during the same period, but metal cans for meat decreased 5.5 percent and metal cans for soft drinks also decreased by 0.9 percent. Shipments of the most important paper product, special food board, increased 1.6 percent.

During 1974, wholesale prices of plastic films jumped 45.6 percent, the largest increase of all classes of material. Also up were prices of metal containers, 33.5 percent; paper and paper board, 25.3 percent; glass containers, 16.2 percent; and wood boxes, 7.7 percent. Another item with one of the highest increases was paper milk cartons which increased 42.6 percent. Tin plate food cans also rose sharply (34 percent) while glass food jars were up 15.8 percent and corrugated shippers, 11.9 percent.

**Rail and Truck Transportation:** The estimated cost of shipping farm food products by truck and rail in 1974 was \$7.2 billion, an increase of 18 percent over the level of \$6.1 billion in 1972 and 1973. These estimates exclude costs for air, water, and intracity truck transportation for which no data are available. The dramatic increase in the costs of shipping farm food products was primarily a result of higher transportation rates, rather than the slight increase in quantities marketed.

The Interstate Commerce Commission (ICC) authorized a number of rail rate increases in 1974. These included a 3.3 percent fuel charge increase which became effective on January 31, 1974 and a rise of 2.8 percent to cover larger rail retirement taxes, effective in stages on January 1 and March 16, 1974. In addition, general freight rate increases of 4 percent, effective March 9, 1974, and 10 percent on June 20, 1974, were granted. The 10 percent increase was committed to deferred maintenance and other property improvements to provide better service for shippers.

The effects of the 1974 ICC authorizations for higher rail rates were compounded by earlier increases of 3 percent in August and 1.9 percent in October 1973, thus contributing to the 18 percent increase in rates in 1974 (table 12).

Trucking costs have increased as a result of fuel price increases and reduced speed limits. During the 1973/74 winter, fuel supplies were severely constrained. In February 1974, a special 6 percent fuel surcharge was granted. Limited data suggest that exempt truck rates also increased during that



period. The Federal Highway Amendment of 1974 imposed a permanent 55 mile per hour speed limit while authorizing the States to increase weights allowed for trucks on the interstate highway system. The new limits, which could increase weights from 73,000 to 80,000 pounds, are not expected to immediately produce a uniform reduction in costs. Regulations on truck dimensions are sometimes as limiting as weight restrictions. But for some heavy agricultural commodities—particularly grains, soybeans, some fruits and vegetables, and boxed meats—the increased weight limits would permit larger loads and reduce costs for truckers.

Rail rate increases thus far in 1975 have not been as sharp as those in the first half of 1974. The 1975 authorizations include a rise of 7 percent for general freight, effective in April, and an increase of 5 percent, primarily for higher labor costs, effective June 20.

**Advertising:** Advertising for farm foods in 1974 amounted to \$2.5 billion, up slightly from 1973. Less than 2 cents of the food dollar was spent on advertising and promotion in 1974. The increase in advertising slowed somewhat with the sluggish 1974 economy as new product introduction decreased and consumers shifted to more basic products. One promotional strategy employed by marketers was expanded use of coupons to offer selective price discounts in an increasingly price sensitive market. Food processors typically account for half of food advertising followed by food retailers. The distribution of advertising expenditures among media differ—processors spend more heavily in network TV and magazines, and retailers rely more on newspapers and local TV advertising.

**Capital costs:** Capital costs, which include depreciation, rent, and interest, totaled \$7.6 billion in 1974, up 10 percent from last year. As a share of the total marketing bill, capital costs account for 8.2 percent of the total \$92 billion. Interest rates on long-term Aaa bonds, an indicator of the costs of new long-term credit for plant expansion and building, rose from 7.44 percent in 1973 to 8.57 percent in 1974, reflecting inflationary pressures and administrative monetary decisions. Short-term interest rates reflective of the cost of financing inventory rose to 11.28 percent in 1974 from 8.3 percent a year earlier. This is the rate businessmen had to pay at 35 major retail centers. The E.H. Boeckh Index of commercial and factory building costs increased 11 percent from 1973. Rising construction costs boosted depreciation charges and commercial rental rates for food marketing firms.

**Corporate profits:** Before-tax corporate profits in 1974 rose 15 percent to \$5.3 billion. Dollar sales were greater and profit rates of corporations increased in current dollars. After-tax profits also rose to slightly more than half the before-tax value. While profits are a relatively small portion of the marketing bill, per

unit profits since 1958 have increased on a percentage basis more than all the other components combined.

**Business taxes:** In 1974, business taxes rose to \$3.7 billion, more than double 10 years ago. Social Security payments and rates rose again during 1974. There were also continued increases in local taxes, especially on real estate.

### Trends in Per Unit Costs

Per unit comparisons of the components of the marketing bill take out the effect that the volume of food marketed has on total marketing costs and thus allow historical comparisons of unit charges or prices. Since 1958, the index of marketing costs per unit of farm food marketed has increased 69 percent. During the same period, the consumer price index rose 70 percent.

Labor costs, the largest component, increased 88 percent on a per unit basis since 1958, sloping steadily upward (fig. 7). Much of the rise in labor costs occurred in the distribution sector—wholesaling, retailing and public eating places. Per unit labor costs climbed 126 percent in 17 years. In processing, per unit labor costs rose only 46 percent in the same period.

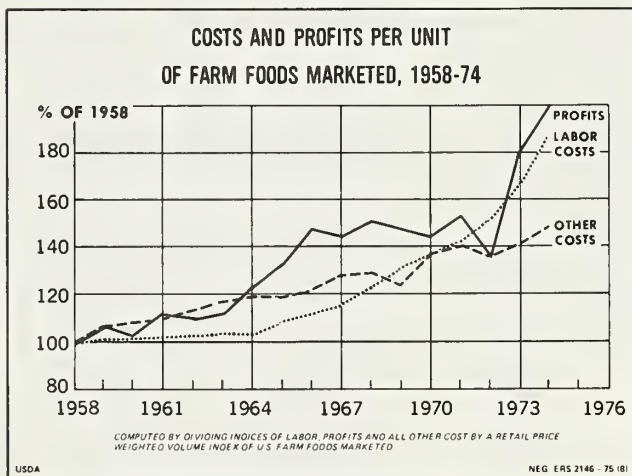


Figure 7

Profits per unit have increased slightly more than labor costs. Overall per unit profits doubled since 1958 with half the increase occurring since 1972. Distributors' profits per unit rose slightly more than processors' profits. The trend in corporate profits may exaggerate the picture of increasing per unit profits as non-corporate earnings are not reflected in the estimates.

All other costs of foods marketing, including taxes, depreciation, rent, and energy, have risen 49 percent on a per unit basis since 1958, slower than the general inflation rate.

Table 11.--Indexes of labor cost for marketing farm-food products, 1947-74

| Year         | Total :<br>labor :<br>cost : | Man- :<br>hours : | Hourly :<br>labor :<br>cost 1/ : | Unit :<br>labor :<br>cost 2/ : | Retail price- :<br>weighted 3/ :<br>volume index : | Farm price :<br>weighted 3/ :<br>volume index |
|--------------|------------------------------|-------------------|----------------------------------|--------------------------------|--|---|
|              |                              |                   | <u>1967 = 100</u>                |                                |  |   |
| 1947 .....   | 41                           | 106               | 39                               | 63                             | 65   | 68  |
| 1948 .....   | 46                           | 107               | 43                               | 72                             | 64   | 66  |
| 1949 .....   | 48                           | 106               | 45                               | 74                             | 65   | 68  |
| 1950 .....   | 50                           | 107               | 47                               | 75                             | 67   | 70  |
| 1951 .....   | 53                           | 107               | 50                               | 79                             | 67   | 69  |
| 1952 .....   | 56                           | 108               | 52                               | 80                             | 70   | 72  |
| 1953 .....   | 60                           | 107               | 56                               | 82                             | 73   | 75  |
| 1954 .....   | 62                           | 106               | 58                               | 83                             | 75   | 77  |
| 1955 .....   | 64                           | 106               | 60                               | 82                             | 78   | 81  |
| 1956 .....   | 66                           | 106               | 62                               | 81                             | 81   | 84  |
| 1957 .....   | 68                           | 104               | 65                               | 84                             | 81   | 83  |
| 1958 .....   | 70                           | 102               | 69                               | 86                             | 81   | 82  |
| 1959 .....   | 73                           | 103               | 71                               | 87                             | 84   | 84  |
| 1960 .....   | 76                           | 102               | 74                               | 87                             | 87   | 87  |
| 1961 .....   | 77                           | 98                | 78                               | 87                             | 88   | 88  |
| 1962 .....   | 80                           | 98                | 82                               | 89                             | 90   | 90  |
| 1963 .....   | 82                           | 96                | 85                               | 89                             | 92   | 92  |
| 1964 .....   | 85                           | 97                | 88                               | 89                             | 96   | 96  |
| 1965 .....   | 90                           | 99                | 91                               | 94                             | 96   | 97  |
| 1966 .....   | 95                           | 100               | 95                               | 97                             | 98   | 98  |
| 1967 .....   | 100                          | 100               | 100                              | 100                            | 100  | 100   |
| 1968 .....   | 108                          | 101               | 107                              | 106                            | 102  | 102   |
| 1969 .....   | 117                          | 103               | 114                              | 113                            | 104  | 103   |
| 1970 .....   | 125                          | 102               | 123                              | 118                            | 106  | 105   |
| 1971 .....   | 133                          | 103               | 129                              | 122                            | 109  | 108   |
| 1972 .....   | 145                          | 105               | 140                              | 131                            | 110  | 108   |
| 1973 .....   | 156                          | 106               | 147                              | 144                            | 108  | 104   |
| 1974 4/..... | 180                          | 109               | 165                              | 162                            | 111  | 105   |

1/ Hourly labor cost is the quotient of the indexes of total labor cost and man-hours worked.

2/ Unit labor cost is the quotient of the indexes of total labor cost and the retail price-weighted volume index.

3/ The retail volume index of farm food products is constructed by weighting the quantities consumed on a retail weight basis by 1957-59 average retail prices. The retail volume index is used in assessing changes in consumer expenditures and labor costs. This index is more sensitive to changes in highly processed products than less processed products with a high farm value. Similarly, the farm price weighted index is constructed by weighting the quantities on a farm weight basis by 1957-59 average farm prices. The farm volume index is used in evaluating changes in farm value and farm marketings. The farm index is most sensitive to high farm value less processed products. 4/ Preliminary.

Table 12.--Railroad freight rate indexes for agricultural commodities, 1957-74 <sup>1/</sup>  
(1967 = 100)

| (1967 = 100) |             |          |                              |           |                            |     |
|--------------|-------------|----------|------------------------------|-----------|----------------------------|-----|
| Year         | : Livestock | : Meat   | : Fruits and<br>: vegetables | : Wheat   | : All grains               |     |
| 1957 .....   | 104         | 143      | 112                          | 119       | 116                        |     |
| 1958 .....   | 108         | 132      | 109                          | 122       | 120                        |     |
| 1959 .....   | 106         | 121      | 102                          | 120       | 116                        |     |
| 1960 .....   | 105         | 121      | 100                          | 119       | 115                        |     |
| 1961 .....   | 104         | 121      | 101                          | 119       | 114                        |     |
| 1962 .....   | 102         | 120      | 100                          | 116       | 113                        |     |
| 1963 .....   | 100         | 117      | 99                           | 114       | 111                        |     |
| 1964 .....   | 99          | 113      | 99                           | 111       | 108                        |     |
| 1965 .....   | 99          | 104      | 99                           | 99        | 101                        |     |
| 1966 .....   | 99          | 100      | 99                           | 99        | 100                        |     |
| 1967 .....   | 100         | 100      | 100                          | 100       | 100                        |     |
| 1968 .....   | 104         | 103      | 103                          | 101       | 100                        |     |
| 1969 .....   | 108         | 107      | 108                          | 102       | 100                        |     |
| 1970 .....   | 119         | 117      | 118                          | 113       | 109                        |     |
| 1971 .....   | 135         | 132      | 134                          | 125       | 121                        |     |
| 1972 .....   | 140         | 136      | 138                          | 120       | 121                        |     |
| 1973 .....   | 146         | 138      | 140                          | 124       | 122                        |     |
| 1974 .....   | 4/          | 162      | 162                          | 147       | 146                        |     |
|              | : Soybeans  | : Cotton | : Wool                       | : Tobacco | : Combined index           |     |
|              | :           | :        | :                            | :         | : Food : All               |     |
|              | :           | :        | :                            | :         | : products 2/: products 3/ |     |
| 1957 .....   | 110         | 102      | 158                          | 119       | 119                        | 116 |
| 1958 .....   | 116         | 103      | 161                          | 111       | 115                        | 115 |
| 1959 .....   | 115         | 102      | 127                          | 100       | 109                        | 110 |
| 1960 .....   | 115         | 101      | 122                          | 99        | 107                        | 109 |
| 1961 .....   | 109         | 101      | 122                          | 100       | 108                        | 109 |
| 1962 .....   | 107         | 101      | 107                          | 100       | 106                        | 108 |
| 1963 .....   | 101         | 101      | 104                          | 100       | 103                        | 106 |
| 1964 .....   | 100         | 100      | 100                          | 100       | 103                        | 105 |
| 1965 .....   | 99          | 100      | 100                          | 100       | 100                        | 100 |
| 1966 .....   | 99          | 100      | 100                          | 99        | 99                         | 99  |
| 1967 .....   | 100         | 100      | 100                          | 100       | 100                        | 100 |
| 1968 .....   | 101         | 100      | 101                          | 102       | 102                        | 101 |
| 1969 .....   | 103         | 103      | 106                          | 108       | 105                        | 103 |
| 1970 .....   | 114         | 113      | 119                          | 118       | 116                        | 114 |
| 1971 .....   | 126         | 126      | 134                          | 132       | 129                        | 127 |
| 1972 .....   | 127         | 131      | 136                          | 137       | 132                        | 128 |
| 1973 .....   | 130         | 134      | 140                          | 142       | 137                        | 131 |
| 1974 .....   | 158         | 155      | 165                          | 166       | 161                        | 154 |

<sup>1/</sup> All indexes are of the weighted aggregative type and are based upon averages of rates in effect during the year. Annual averages are computed by weighting rates by the number of days they are in effect.

<sup>2/</sup> In constructing the all farm food index, food product groups are weighted by average quantities marketed domestically in 1957-59.

<sup>3/</sup> In constructing the all farm product index, farm product groups are weighted by average revenues for 1957-59.

<sup>4/</sup> The livestock component was excluded because of the relatively negligible amount shipped by rail. Data for 1945-56 are published in the Marketing and Transportation Situation, MTS-47, November 1962.



## At-Home Versus Away-From-Home Eating

The total marketing bill is divided into the at-home bill and the away-from-home bill. The at-home marketing bill is an estimate of charges for transporting, processing, and distributing U.S. farm foods purchased in food stores for use at home. The away-from-home marketing bill is an estimate of the costs and profits of transporting, processing, distributing, and preparing food for sale or use in public eating places and institutions. It includes costs and profits for food whether purchased for personal consumption, on business or travel, or as part of another service such as food served by airlines or hospitals.

*Expenditures:* Consumer expenditures for food at home were \$106.3 billion in 1974, or 72 percent of total U.S. farm food expenditures. Expenditures for food consumed away from home were \$41.2 billion, or 28 percent of total expenditures. Away-from-home expenditures declined slightly as a proportion of total food expenditures last year but were greater than the 25 percent in 1963 (table 13).

Away-from-home eating is composed of two major submarkets—public eating places and institutions. Public eating places include restaurants, cafeterias, snack bars, vending machine outlets, and other eating places primarily operated for profit. In 1974, they accounted for \$32.3 billion of farm food expenditures, or about three-fourths of the away-from-home market. Expenditures in public eating places grew relatively faster than food store sales between 1965 and 1974, increasing the away-from-home share of expenditures for U.S. farm foods.

Until the last 4 years, institutional expenditures on farm foods grew more rapidly than expenditures in public eating places. Institutions—including schools, colleges, hospitals, rest and nursing homes, and airlines—served food valued at \$8.9 billion in 1974, and accounting for about 6 percent of total farm food expenditures. Decreased school enrollment and a decline in hospital patients have slowed the growth in institutional feeding.

*Marketing Bill:* The marketing bill for at-home eating accounts for a smaller proportion of consumer food expenditures than that for away-from-home eating. The at-home marketing bill amounted to \$60.8 billion in 1974—57 percent of consumer expenditures for food bought for use at home. In contrast, the away-from-home bill of \$31.2 billion accounted for 76 percent of away-from-home consumer expenditures for food in 1974. This contrast reflects the added cost of preparing and serving food consumed away from home. In 1974, public eating places incurred marketing costs of \$24 billion, while the bill for institutions was \$7 billion.

*Farm Value:* The at-home market represented four-fifths of total U.S. farm value, while public eating places accounted for another 14.4 percent and institutions, the remainder. Thus, the food store

market is a much more important channel for farm products than is indicated by the proportion spent in food stores versus away-from-home establishments.

*Commodity Use:* In 1974, meat products represented the largest share of away-from-home food expenditures, and the second largest share of at-home food expenditures (table 14). However, meat represented a much larger proportion of spending for food consumed away from home (39 percent) than food used at home (25 percent).

The importance of various food groups between the at-home and away-from-home markets differs primarily because of the relative importance of different meals. Breakfasts and dinners make up a larger proportion of meals served at home, while the away-from-home market serves a larger proportion of lunches. Fruits and vegetables, which are served more often with full meals than with sandwich-type lunches, account for about a fourth of expenditures of food consumed at home (the largest group) versus 11 percent of expenditures away from home.

There are differences in the commodity mix within the away-from-home market. Meat accounts for a larger share of food consumed in public eating places than in institutions. The opposite is true of fruits and vegetables, which are more important in institutions. Again, the difference in the proportion of meal types served is the prime reason for differences in composition of expenditures. Other food items, such as poultry, bakery, dairy, grain mill, and other food products, vary less between the two markets.

## Marketing Bill for Marketing Agencies

Marketing agencies are classified by function—processing, wholesaling, and distributing food products. The marketing bill and the labor and profit components for marketing agencies are shown in table 15 for selected years between 1929-74.

Food processing accounted for the largest share of the total marketing bill for 1974, amounting to one-third the total (fig. 8). However, this is less than in 1973, and continues a decline in the importance of processing costs in relation to the other agencies. The dollar cost of processing does represent a 10 percent increase over 1973, one of the largest increases recorded.

Labor costs accounted for 42 percent of the processors' bill in 1974, the same percentage as for 1973. Likewise, profits before taxes remained at 10 percent of the total processing bill. This is a larger share than the profits of other agencies, due partly to the greater predominance of corporate ownership among processors than among wholesalers and retailers.

Food wholesaling charges amounted to \$13.9 billion, or 15 percent of the total marketing bill—the smallest share but up from last year's 14 percent. Labor costs accounted for 43 percent of the

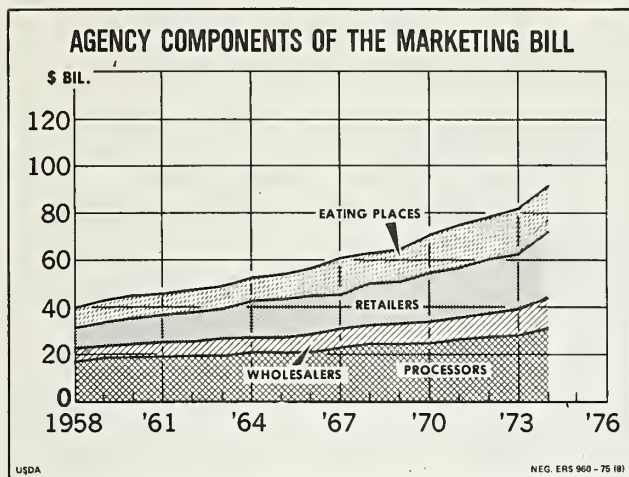


Figure 8

wholesaling bill in 1974. Profits before taxes for wholesalers rose to 8.5 percent, second only to the processor's profit rate.

Retail food stores had the second largest agency bill in 1974, amounting to \$26.7 billion or 29 percent of the total marketing bill, unchanged from 1973. The labor component of retailing was \$13.6 billion, more than half of the total cost of retailing. Profits amounted to \$472 million or 1.8 percent of the total retailing bill.

Eating places and institutions accounted for 22.6 percent of the total marketing bill or \$20.8 billion. This was a fractional decrease from 1973, reflecting less eating out last year. Labor costs accounted for 65 percent or \$13.7 billion, of the public eating place and institutional bill. This was a continuation of the rise in labor costs of food service industries. Profits at \$545 million accounted for 2.6 percent of the public eating place and institutional bill.

Table 12.--Consumer expenditures, marketing bill, and farm value, for U. S. farm foods, at-home and away-from-home, 1963-74.

| Year                         | Total | At-home <u>2/</u> | Away-from-home |                              |                    |
|------------------------------|-------|-------------------|----------------|------------------------------|--------------------|
|                              |       |                   | Total          | Public eating :<br>places 3/ | Institutions<br>4/ |
| <u>Billion dollars</u>       |       |                   |                |                              |                    |
| <u>Consumer expenditures</u> |       |                   |                |                              |                    |
| 1963 .....                   | 74.0  | 56.0              | 18.0           | 14.0                         | 4.0                |
| 1964 .....                   | 77.5  | 58.5              | 19.0           | 14.8                         | 4.2                |
| 1965 .....                   | 81.1  | 60.2              | 20.9           | 16.1                         | 4.8                |
| 1966 .....                   | 86.9  | 64.0              | 22.9           | 17.8                         | 5.1                |
| 1967 .....                   | 89.3  | 64.3              | 25.0           | 19.3                         | 5.7                |
| 1968 .....                   | 94.0  | 67.4              | 25.6           | 20.5                         | 6.1                |
| 1969 .....                   | 98.8  | 70.3              | 28.5           | 21.9                         | 6.6                |
| 1970 .....                   | 105.9 | 74.5              | 31.4           | 23.8                         | 7.6                |
| 1971 .....                   | 110.7 | 77.6              | 33.1           | 25.0                         | 8.1                |
| 1972 .....                   | 116.6 | 81.6              | 35.0           | 26.9                         | 8.1                |
| 1973 .....                   | 132.0 | 93.7              | 38.3           | 29.4                         | 8.9                |
| 1974 <u>1/</u> ...           | 147.5 | 106.3             | 41.2           | 32.3                         | 8.9                |
| <u>Marketing bill</u>        |       |                   |                |                              |                    |
| 1963 .....                   | 49.9  | 35.9              | 14.0           | 10.9                         | 3.1                |
| 1964 .....                   | 52.6  | 37.8              | 14.8           | 11.6                         | 3.2                |
| 1965 .....                   | 54.0  | 38.1              | 15.9           | 12.3                         | 3.6                |
| 1966 .....                   | 57.1  | 39.8              | 17.3           | 13.5                         | 3.8                |
| 1967 .....                   | 60.8  | 40.9              | 19.9           | 15.3                         | 4.6                |
| 1968 .....                   | 63.6  | 42.5              | 21.1           | 16.2                         | 4.9                |
| 1969 .....                   | 65.2  | 42.2              | 23.0           | 17.6                         | 5.4                |
| 1970 .....                   | 71.1  | 46.1              | 25.0           | 18.8                         | 6.2                |
| 1971 .....                   | 75.4  | 48.7              | 26.7           | 19.9                         | 6.8                |
| 1972 .....                   | 77.9  | 50.2              | 27.7           | 21.1                         | 6.6                |
| 1973 .....                   | 82.0  | 53.0              | 29.0           | 22.0                         | 7.0                |
| 1974 <u>1/</u> ...           | 92.0  | 60.8              | 31.2           | 24.3                         | 6.9                |
| <u>Farm value</u>            |       |                   |                |                              |                    |
| 1963 .....                   | 24.1  | 20.1              | 4.0            | 3.1                          | 0.9                |
| 1964 .....                   | 29.9  | 20.7              | 4.2            | 3.2                          | 1.0                |
| 1965 .....                   | 27.1  | 22.1              | 5.0            | 3.8                          | 1.2                |
| 1966 .....                   | 29.8  | 24.2              | 5.6            | 4.3                          | 1.3                |
| 1967 .....                   | 28.5  | 23.4              | 5.1            | 4.0                          | 1.1                |
| 1968 .....                   | 30.4  | 24.9              | 5.5            | 4.3                          | 1.2                |
| 1969 .....                   | 33.6  | 28.1              | 5.5            | 4.3                          | 1.2                |
| 1970 .....                   | 34.8  | 28.4              | 6.4            | 5.0                          | 1.4                |
| 1971 .....                   | 35.3  | 28.9              | 6.4            | 5.1                          | 1.3                |
| 1972 .....                   | 38.7  | 31.4              | 7.3            | 5.8                          | 1.5                |
| 1973 .....                   | 50.0  | 40.7              | 9.3            | 7.4                          | 1.9                |
| 1974 <u>1/</u> ...           | 55.5  | 45.5              | 10.0           | 8.0                          | 2.0                |

1/ Preliminary. 2/ At-home is food consumed from the home food supply (primarily purchased from retail food stores). 3/ Includes restaurants, cafeterias, snack bars, and other eating establishments. 4/ Includes the value of food served in hospitals, schools, colleges, rest and nursing homes, and other institutions.



Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 1963-74.

| Year<br>and<br>market | Meat<br>: pro-<br>: ducts | Poultry<br>: pro-<br>: ducts | Dairy<br>: pro-<br>: ducts | Fruits<br>: and<br>: vegetables | Grain<br>: mill<br>: products | Bakery<br>: pro-<br>: ducts | Miscel-<br>: laneous | Total  |
|-----------------------|---------------------------|------------------------------|----------------------------|---------------------------------|-------------------------------|-----------------------------|----------------------|--------|
| Million dollars       |                           |                              |                            |                                 |                               |                             |                      |        |
| 1963                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 20,439                    | 5,722                        | 12,598                     | 16,154                          | 2,575                         | 7,703                       | 8,853                | 74,044 |
| At-home .....         | 13,644                    | 4,188                        | 9,382                      | 14,296                          | 2,208                         | 5,807                       | 6,500                | 56,025 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 6,795                     | 1,534                        | 3,216                      | 1,858                           | 367                           | 1,896                       | 2,353                | 18,019 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 5,742                     | 1,303                        | 2,210                      | 1,177                           | 260                           | 1,466                       | 1,853                | 14,011 |
| Institutions .....    | 1,053                     | 231                          | 1,006                      | 681                             | 107                           | 430                         | 500                  | 4,008  |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 11,410                    | 2,826                        | 7,738                      | 12,467                          | 2,035                         | 6,548                       | 6,871                | 49,895 |
| At-home .....         | 6,342                     | 1,544                        | 5,225                      | 11,102                          | 1,690                         | 4,803                       | 4,747                | 35,453 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 5,068                     | 1,282                        | 2,513                      | 1,365                           | 345                           | 1,745                       | 2,124                | 14,442 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 4,305                     | 1,100                        | 1,724                      | 846                             | 245                           | 1,343                       | 1,665                | 11,228 |
| Institutions .....    | 763                       | 182                          | 789                        | 519                             | 100                           | 402                         | 459                  | 3,214  |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 9,029                     | 2,896                        | 4,860                      | 3,687                           | 540                           | 1,155                       | 1,982                | 24,149 |
| At-home .....         | 7,302                     | 2,644                        | 4,157                      | 3,194                           | 518                           | 1,004                       | 1,753                | 20,572 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 1,727                     | 252                          | 703                        | 493                             | 22                            | 151                         | 229                  | 3,577  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 1,437                     | 203                          | 486                        | 331                             | 15                            | 123                         | 188                  | 2,783  |
| Institutions .....    | 290                       | 49                           | 211                        | 162                             | 7                             | 28                          | 41                   | 794    |
| 1964                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 21,418                    | 5,872                        | 12,938                     | 17,084                          | 2,780                         | 7,980                       | 9,431                | 77,503 |
| At-home .....         | 14,106                    | 4,254                        | 9,560                      | 15,173                          | 2,375                         | 5,965                       | 7,029                | 58,462 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 7,312                     | 1,618                        | 3,378                      | 1,911                           | 405                           | 2,015                       | 2,402                | 19,041 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 6,184                     | 1,373                        | 2,319                      | 1,222                           | 286                           | 1,557                       | 1,898                | 14,839 |
| Institutions .....    | 1,128                     | 245                          | 1,059                      | 689                             | 119                           | 458                         | 504                  | 4,202  |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 12,446                    | 2,964                        | 7,927                      | 12,905                          | 2,212                         | 6,798                       | 7,379                | 52,631 |
| At-home .....         | 6,926                     | 1,608                        | 5,290                      | 11,557                          | 1,832                         | 4,941                       | 5,219                | 37,373 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 5,520                     | 1,356                        | 2,637                      | 1,348                           | 380                           | 1,857                       | 2,160                | 15,258 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 4,692                     | 1,162                        | 1,805                      | 832                             | 269                           | 1,429                       | 1,698                | 11,887 |
| Institutions .....    | 828                       | 194                          | 832                        | 516                             | 111                           | 428                         | 462                  | 3,371  |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 8,972                     | 2,908                        | 5,011                      | 4,179                           | 568                           | 1,182                       | 2,052                | 24,872 |
| At-home .....         | 7,180                     | 2,646                        | 4,270                      | 3,616                           | 543                           | 1,024                       | 1,810                | 21,089 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 1,792                     | 262                          | 741                        | 563                             | 25                            | 158                         | 242                  | 3,783  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 1,492                     | 211                          | 514                        | 390                             | 17                            | 128                         | 200                  | 2,952  |
| Institutions .....    | 300                       | 51                           | 227                        | 173                             | 8                             | 30                          | 42                   | 831    |

Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 1963-74.

| Year<br>and<br>market | Meat<br>: pro-<br>: ducts | Poultry<br>: pro-<br>: ducts | Dairy<br>: pro-<br>: ducts | Fruits<br>: and<br>: vegetables | Grain<br>: mill<br>: products | Bakery<br>: pro-<br>: ducts | Miscel-<br>: laneous | Total  |
|-----------------------|---------------------------|------------------------------|----------------------------|---------------------------------|-------------------------------|-----------------------------|----------------------|--------|
| Million dollars       |                           |                              |                            |                                 |                               |                             |                      |        |
| 1965                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 22,405                    | 6,224                        | 13,049                     | 17,782                          | 3,045                         | 8,193                       | 10,416               | 81,114 |
| At-home .....         | 13,834                    | 4,536                        | 9,668                      | 15,654                          | 2,589                         | 5,880                       | 8,027                | 60,188 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 8,571                     | 1,688                        | 3,381                      | 2,128                           | 456                           | 2,313                       | 2,389                | 20,926 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 7,192                     | 1,425                        | 2,287                      | 1,321                           | 317                           | 1,762                       | 1,853                | 16,157 |
| Institutions ....     | 1,379                     | 263                          | 1,094                      | 807                             | 139                           | 551                         | 536                  | 4,769  |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 12,058                    | 3,141                        | 7,987                      | 13,262                          | 2,426                         | 6,937                       | 8,190                | 54,001 |
| At-home .....         | 5,958                     | 1,749                        | 5,397                      | 11,848                          | 1,999                         | 4,816                       | 6,066                | 37,833 |
| Away-from-home ....   |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 6,100                     | 1,392                        | 2,590                      | 1,414                           | 427                           | 2,121                       | 2,124                | 16,168 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 5,133                     | 1,185                        | 1,738                      | 819                             | 297                           | 1,606                       | 1,634                | 12,412 |
| Institutions ....     | 967                       | 207                          | 852                        | 595                             | 130                           | 515                         | 490                  | 3,756  |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 10,347                    | 3,083                        | 5,062                      | 4,520                           | 619                           | 1,256                       | 2,226                | 27,113 |
| At-home .....         | 7,876                     | 2,787                        | 4,271                      | 3,806                           | 590                           | 1,064                       | 1,961                | 22,355 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 2,471                     | 296                          | 791                        | 714                             | 29                            | 192                         | 265                  | 4,758  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 2,059                     | 240                          | 549                        | 502                             | 20                            | 156                         | 219                  | 3,745  |
| Institutions ....     | 412                       | 56                           | 242                        | 212                             | 9                             | 36                          | 46                   | 1,013  |
| 1966                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 25,096                    | 7,242                        | 13,606                     | 18,585                          | 3,031                         | 8,299                       | 11,064               | 86,923 |
| At-home .....         | 15,264                    | 5,304                        | 10,084                     | 16,523                          | 2,531                         | 5,908                       | 8,454                | 64,068 |
| Away-from-home ....   |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 9,832                     | 1,938                        | 3,522                      | 2,062                           | 500                           | 2,391                       | 2,610                | 22,855 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 8,270                     | 1,644                        | 2,399                      | 1,246                           | 350                           | 1,833                       | 2,014                | 17,756 |
| Institutions ....     | 1,562                     | 294                          | 1,123                      | 816                             | 150                           | 558                         | 596                  | 5,099  |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 13,488                    | 3,606                        | 8,031                      | 14,116                          | 2,394                         | 6,935                       | 8,586                | 57,156 |
| At-home .....         | 6,496                     | 2,022                        | 5,418                      | 12,716                          | 1,929                         | 4,761                       | 6,287                | 39,629 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 6,992                     | 1,584                        | 2,613                      | 1,400                           | 465                           | 2,174                       | 2,299                | 17,527 |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 5,910                     | 1,358                        | 1,765                      | 796                             | 326                           | 1,657                       | 1,759                | 13,571 |
| Institutions ....     | 1,082                     | 226                          | 848                        | 604                             | 139                           | 517                         | 540                  | 3,956  |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 11,608                    | 3,636                        | 5,575                      | 4,469                           | 637                           | 1,364                       | 2,478                | 29,767 |
| At-home .....         | 8,768                     | 3,282                        | 4,666                      | 3,807                           | 602                           | 1,147                       | 2,167                | 24,439 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |        |
| Total .....           | 2,840                     | 354                          | 909                        | 662                             | 35                            | 217                         | 311                  | 5,328  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |        |
| places .....          | 2,360                     | 286                          | 634                        | 450                             | 24                            | 176                         | 255                  | 4,185  |
| Institutions ....     | 480                       | 68                           | 275                        | 212                             | 11                            | 41                          | 56                   | 1,143  |

Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 196 -74.

| Year<br>and<br>market         | Meat<br>: pro-<br>ducts | Poultry<br>: pro-<br>ducts | Dairy<br>: pro-<br>ducts | Fruits<br>: and<br>vegetables | Grain<br>: mill<br>products | Bakery<br>: pro-<br>ducts | Miscel-<br>: laneous | Total  |
|-------------------------------|-------------------------|----------------------------|--------------------------|-------------------------------|-----------------------------|---------------------------|----------------------|--------|
|                               | Million dollars 2/      |                            |                          |                               |                             |                           |                      |        |
|                               | Consumer expenditures   |                            |                          |                               |                             |                           |                      |        |
| 1967                          |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 25,785                  | 6,838                      | 13,698                   | 19,288                        | 3,259                       | 8,855                     | 11,506               | 89,229 |
| At-home .....                 | 16,146                  | 4,898                      | 10,149                   | 15,389                        | 2,776                       | 6,185                     | 8,725                | 64,268 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 9,639                   | 1,940                      | 3,549                    | 3,899                         | 483                         | 2,670                     | 2,781                | 24,961 |
| Public eating<br>places ..... | 8,490                   | 1,721                      | 2,717                    | 1,492                         | 416                         | 2,119                     | 2,374                | 19,329 |
| Institutions .....            | 1,149                   | 219                        | 832                      | 2,407                         | 67                          | 551                       | 407                  | 5,632  |
|                               | Marketing bill          |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 14,404                  | 3,753                      | 8,076                    | 14,796                        | 2,623                       | 7,541                     | 9,217                | 60,410 |
| At-home .....                 | 7,463                   | 2,207                      | 5,443                    | 11,807                        | 2,174                       | 5,080                     | 6,689                | 40,863 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 6,941                   | 1,546                      | 2,633                    | 2,989                         | 449                         | 2,461                     | 2,528                | 19,547 |
| Public eating<br>places ..... | 6,260                   | 1,468                      | 2,065                    | 1,059                         | 391                         | 1,941                     | 2,117                | 15,301 |
| Institutions .....            | 681                     | 78                         | 568                      | 1,930                         | 57                          | 520                       | 626                  | 4,246  |
|                               | Farm value              |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 11,381                  | 3,085                      | 5,622                    | 4,492                         | 636                         | 1,314                     | 2,289                | 28,819 |
| At-home .....                 | 8,683                   | 2,691                      | 4,706                    | 3,582                         | 602                         | 1,105                     | 2,036                | 23,405 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 2,698                   | 394                        | 916                      | 910                           | 34                          | 209                       | 253                  | 5,414  |
| Public eating<br>places ..... | 2,230                   | 253                        | 652                      | 434                           | 25                          | 178                       | 197                  | 4,028  |
| Institutions .....            | 468                     | 141                        | 264                      | 476                           | 9                           | 31                        | 56                   | 1,386  |
| 1968                          |                         |                            |                          |                               |                             |                           |                      |        |
|                               | Consumer expenditures   |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 27,432                  | 7,374                      | 14,882                   | 19,834                        | 3,277                       | 9,092                     | 11,091               | 93,982 |
| At-home .....                 | 16,627                  | 5,230                      | 10,630                   | 17,118                        | 2,660                       | 6,249                     | 8,910                | 67,424 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 10,805                  | 2,144                      | 4,252                    | 2,716                         | 617                         | 2,843                     | 3,181                | 26,558 |
| Public eating<br>places ..... | 9,062                   | 1,816                      | 2,876                    | 1,655                         | 428                         | 2,165                     | 2,464                | 20,466 |
| Institutions .....            | 1,742                   | 328                        | 1,376                    | 1,061                         | 189                         | 679                       | 716                  | 6,091  |
|                               | Marketing bill          |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 15,445                  | 4,037                      | 8,941                    | 14,909                        | 2,669                       | 7,806                     | 9,763                | 63,570 |
| At-home .....                 | 7,492                   | 2,227                      | 5,683                    | 12,957                        | 2,087                       | 5,172                     | 6,902                | 42,520 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 7,953                   | 1,810                      | 3,258                    | 1,952                         | 582                         | 2,634                     | 2,861                | 21,050 |
| Public eating<br>places ..... | 6,683                   | 1,545                      | 2,183                    | 1,142                         | 404                         | 1,995                     | 2,201                | 16,153 |
| Institutions .....            | 1,270                   | 265                        | 1,074                    | 810                           | 178                         | 639                       | 658                  | 4,895  |
|                               | Farm value              |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 11,987                  | 3,337                      | 5,941                    | 4,925                         | 608                         | 1,286                     | 2,328                | 30,412 |
| At-home .....                 | 9,135                   | 3,003                      | 4,947                    | 4,161                         | 573                         | 1,077                     | 2,008                | 24,904 |
| Away-from-home 1/             |                         |                            |                          |                               |                             |                           |                      |        |
| Total .....                   | 2,852                   | 334                        | 994                      | 764                           | 35                          | 209                       | 320                  | 5,508  |
| Public eating<br>places ..... | 2,380                   | 272                        | 693                      | 513                           | 24                          | 170                       | 263                  | 4,313  |
| Institutions .....            | 472                     | 62                         | 301                      | 251                           | 11                          | 39                        | 57                   | 1,196  |



Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 1963-74. Continued

| Year<br>and<br>market | Meat<br>: pro-<br>: ducts | Poultry:<br>: pro-<br>: ducts | Dairy :<br>: pro-<br>: ducts | Fruits :<br>: and :<br>: vegetables | Grain :<br>: mill :<br>: products | Bakery :<br>: pro-<br>: ducts | Miscel-<br>: laneous | Total   |
|-----------------------|---------------------------|-------------------------------|------------------------------|-------------------------------------|-----------------------------------|-------------------------------|----------------------|---------|
|                       | Million dollars 3/        |                               |                              |                                     |                                   |                               |                      |         |
| 1969                  | Consumer expenditures     |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 28,914                    | 8,483                         | 15,460                       | 20,633                              | 3,275                             | 9,257                         | 12,828               | 98,851  |
| At-home .....         | 18,097                    | 5,887                         | 10,810                       | 17,527                              | 2,600                             | 6,119                         | 9,311                | 70,352  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 10,817                    | 2,596                         | 4,650                        | 3,106                               | 675                               | 3,138                         | 3,517                | 28,499  |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 9,192                     | 2,189                         | 3,128                        | 1,866                               | 466                               | 2,381                         | 2,691                | 21,913  |
| Institutions ....     | 1,625                     | 407                           | 1,522                        | 1,240                               | 209                               | 757                           | 826                  | 6,585   |
|                       | Marketing bill            |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 15,283                    | 4,405                         | 9,177                        | 15,473                              | 2,667                             | 7,940                         | 10,237               | 65,183  |
| At-home .....         | 7,160                     | 2,201                         | 5,553                        | 13,196                              | 2,027                             | 5,014                         | 7,055                | 42,207  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 8,123                     | 2,204                         | 3,624                        | 2,277                               | 640                               | 2,926                         | 3,182                | 22,976  |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 6,913                     | 1,872                         | 2,411                        | 1,308                               | 442                               | 2,209                         | 2,416                | 17,572  |
| Institutions ....     | 1,210                     | 332                           | 1,213                        | 969                                 | 198                               | 717                           | 766                  | 5,404   |
|                       | Farm value                |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 13,631                    | 4,078                         | 6,283                        | 5,160                               | 608                               | 1,317                         | 2,591                | 33,668  |
| At-home .....         | 10,937                    | 3,686                         | 5,257                        | 4,331                               | 573                               | 1,105                         | 2,256                | 28,145  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 2,694                     | 392                           | 1,026                        | 829                                 | 35                                | 212                           | 335                  | 5,523   |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 2,280                     | 317                           | 716                          | 558                                 | 24                                | 172                           | 275                  | 4,342   |
| Institutions ....     | 414                       | 75                            | 310                          | 271                                 | 11                                | 40                            | 60                   | 1,181   |
| 1970                  | Consumer expenditures     |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 32,294                    | 8,710                         | 16,102                       | 21,770                              | 3,242                             | 9,635                         | 14,171               | 105,922 |
| At-home .....         | 18,855                    | 6,131                         | 11,456                       | 18,651                              | 2,583                             | 6,448                         | 10,412               | 74,534  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 13,439                    | 2,579                         | 4,646                        | 3,119                               | 659                               | 3,187                         | 3,759                | 31,388  |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 11,128                    | 2,150                         | 3,066                        | 1,829                               | 445                               | 2,376                         | 2,822                | 23,816  |
| Institutions ....     | 2,311                     | 428                           | 1,580                        | 1,290                               | 214                               | 811                           | 936                  | 7,572   |
|                       | Marketing bill            |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 18,190                    | 4,786                         | 9,323                        | 16,737                              | 2,690                             | 8,252                         | 11,172               | 71,148  |
| At-home .....         | 8,143                     | 2,595                         | 5,759                        | 14,432                              | 2,067                             | 5,296                         | 7,820                | 46,110  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 10,047                    | 2,191                         | 3,564                        | 2,305                               | 623                               | 2,956                         | 3,352                | 25,038  |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 8,296                     | 1,837                         | 2,308                        | 1,277                               | 420                               | 2,188                         | 2,488                | 18,814  |
| Institutions ....     | 1,751                     | 354                           | 1,256                        | 1,028                               | 202                               | 767                           | 864                  | 6,224   |
|                       | Farm value                |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 14,104                    | 3,924                         | 6,779                        | 5,033                               | 552                               | 1,383                         | 2,999                | 34,774  |
| At-home .....         | 10,712                    | 3,536                         | 5,697                        | 4,219                               | 516                               | 1,152                         | 2,592                | 28,424  |
| Away-from-home        |                           |                               |                              |                                     |                                   |                               |                      |         |
| Total .....           | 3,392                     | 388                           | 1,082                        | 814                                 | 36                                | 231                           | 407                  | 6,350   |
| Public eating         |                           |                               |                              |                                     |                                   |                               |                      |         |
| places .....          | 2,832                     | 313                           | 758                          | 552                                 | 25                                | 187                           | 334                  | 5,002   |
| Institutions ....     | 560                       | 75                            | 324                          | 262                                 | 11                                | 43                            | 72                   | 1,348   |

Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 1963-74. Continued

| Year<br>and<br>market | Meat<br>: pro-<br>: ducts | Poultry<br>: pro-<br>: ducts | Dairy<br>: pro-<br>: ducts | Fruits<br>: and<br>: vegetables | Grain<br>: mill<br>: products | Bakery<br>: pro-<br>: ducts | Miscel-<br>: laneous | Total   |
|-----------------------|---------------------------|------------------------------|----------------------------|---------------------------------|-------------------------------|-----------------------------|----------------------|---------|
| Million dollars       |                           |                              |                            |                                 |                               |                             |                      |         |
| 1971                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 33,264                    | 8,362                        | 16,687                     | 22,952                          | 3,239                         | 11,210                      | 14,972               | 110,686 |
| At-home .....         | 19,106                    | 5,810                        | 11,791                     | 19,639                          | 2,562                         | 7,835                       | 10,808               | 77,551  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 14,158                    | 2,552                        | 4,896                      | 3,313                           | 677                           | 3,375                       | 4,164                | 33,135  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 11,642                    | 2,133                        | 3,226                      | 1,923                           | 456                           | 2,509                       | 3,107                | 24,998  |
| Institutions ....     | 2,516                     | 419                          | 1,670                      | 1,390                           | 221                           | 866                         | 1,057                | 8,138   |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 18,985                    | 4,746                        | 9,917                      | 17,743                          | 2,677                         | 9,638                       | 11,662               | 75,368  |
| At-home .....         | 8,293                     | 2,554                        | 6,102                      | 15,222                          | 2,037                         | 6,499                       | 7,963                | 48,668  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 10,692                    | 2,192                        | 3,815                      | 2,523                           | 640                           | 3,139                       | 3,699                | 26,700  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 8,756                     | 1,839                        | 2,469                      | 1,394                           | 430                           | 2,317                       | 2,724                | 19,931  |
| Institutions ....     | 1,937                     | 352                          | 1,346                      | 1,128                           | 210                           | 821                         | 974                  | 6,768   |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 14,279                    | 3,616                        | 6,770                      | 5,209                           | 562                           | 1,572                       | 3,310                | 35,318  |
| At-home .....         | 10,813                    | 3,256                        | 5,689                      | 4,419                           | 525                           | 1,336                       | 2,845                | 28,883  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 3,466                     | 360                          | 1,081                      | 790                             | 37                            | 236                         | 465                  | 6,435   |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 2,887                     | 294                          | 757                        | 529                             | 25                            | 192                         | 382                  | 5,066   |
| Institutions ....     | 579                       | 66                           | 324                        | 261                             | 12                            | 44                          | 82                   | 1,370   |
| 1972                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 37,756                    | 7,580                        | 17,651                     | 22,785                          | 3,330                         | 11,628                      | 15,870               | 116,600 |
| At-home .....         | 21,896                    | 5,002                        | 12,739                     | 19,441                          | 2,676                         | 8,226                       | 11,632               | 81,612  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 15,860                    | 2,578                        | 4,912                      | 3,344                           | 654                           | 3,402                       | 4,238                | 34,988  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 13,200                    | 2,170                        | 3,289                      | 1,991                           | 445                           | 2,550                       | 3,197                | 26,842  |
| Institutions ....     | 2,660                     | 408                          | 1,623                      | 1,353                           | 209                           | 852                         | 1,041                | 8,147   |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 20,703                    | 4,469                        | 10,380                     | 17,302                          | 2,722                         | 9,900                       | 12,421               | 77,897  |
| At-home .....         | 9,030                     | 2,268                        | 16,614                     | 14,851                          | 2,108                         | 6,756                       | 8,621                | 50,248  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 11,673                    | 2,201                        | 3,766                      | 2,451                           | 614                           | 3,144                       | 3,800                | 27,649  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 9,703                     | 1,862                        | 2,482                      | 1,390                           | 417                           | 2,341                       | 2,837                | 21,034  |
| Institutions ....     | 1,970                     | 339                          | 1,283                      | 1,060                           | 197                           | 803                         | 963                  | 6,616   |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 21,211                    | 5,059                        | 10,798                     | 20,713                          | 3,178                         | 10,044                      | 10,962               | 81,965  |
| At-home .....         | 12,866                    | 2,734                        | 6,125                      | 4,590                           | 568                           | 1,470                       | 3,011                | 31,364  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 4,187                     | 377                          | 1,146                      | 893                             | 40                            | 258                         | 438                  | 7,339   |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 3,496                     | 308                          | 807                        | 601                             | 27                            | 209                         | 360                  | 5,808   |
| Institutions ....     | 690                       | 69                           | 339                        | 292                             | 13                            | 48                          | 78                   | 1,531   |

Table 14.--Consumer expenditures, marketing bill, and farm value for at-home and away-from-home consumption, by commodity group, 1963-74. Continued

| Year<br>and<br>market | Meat<br>: pro-<br>: ducts | Poultry<br>: pro-<br>: ducts | Dairy<br>: pro-<br>: ducts | Fruits<br>: and<br>: vegetables | Grain<br>: mill<br>: products | Bakery<br>: pro-<br>: ducts | Miscel-<br>: laneous | Total   |
|-----------------------|---------------------------|------------------------------|----------------------------|---------------------------------|-------------------------------|-----------------------------|----------------------|---------|
| Million dollars       |                           |                              |                            |                                 |                               |                             |                      |         |
| 1973                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 42,228                    | 10,290                       | 18,900                     | 27,961                          | 4,095                         | 12,707                      | 15,773               | 131,954 |
| At-home .....         | 24,944                    | 6,906                        | 13,834                     | 24,255                          | 3,342                         | 9,100                       | 11,274               | 93,655  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 17,284                    | 3,384                        | 5,066                      | 3,706                           | 753                           | 3,607                       | 4,499                | 38,299  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 14,344                    | 2,848                        | 3,393                      | 2,230                           | 511                           | 2,702                       | 3,384                | 29,412  |
| Institutions ....     | 2,940                     | 536                          | 1,673                      | 1,476                           | 242                           | 904                         | 1,114                | 8,885   |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 21,211                    | 5,059                        | 10,798                     | 20,713                          | 3,178                         | 10,044                      | 10,962               | 81,965  |
| At-home .....         | 9,074                     | 2,316                        | 7,047                      | 18,131                          | 2,486                         | 6,825                       | 7,070                | 52,949  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 12,137                    | 2,743                        | 3,751                      | 2,582                           | 692                           | 3,219                       | 3,892                | 29,016  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 10,053                    | 2,324                        | 2,463                      | 1,450                           | 469                           | 2,387                       | 2,886                | 22,033  |
| Institutions ....     | 2,084                     | 419                          | 1,288                      | 1,132                           | 223                           | 831                         | 1,006                | 6,981   |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 21,017                    | 5,231                        | 8,102                      | 7,248                           | 917                           | 2,663                       | 4,811                | 49,989  |
| At-home .....         | 15,870                    | 4,590                        | 6,787                      | 6,124                           | 856                           | 2,275                       | 4,204                | 40,706  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 5,147                     | 641                          | 1,315                      | 1,124                           | 61                            | 388                         | 607                  | 9,283   |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 4,290                     | 524                          | 929                        | 780                             | 42                            | 315                         | 498                  | 7,379   |
| Institutions ....     | 856                       | 117                          | 385                        | 344                             | 19                            | 73                          | 109                  | 1,904   |
| 1974                  | Consumer expenditures     |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 42,876                    | 8,645                        | 21,085                     | 31,562                          | 5,189                         | 15,568                      | 22,642               | 147,567 |
| At-home .....         | 26,719                    | 5,972                        | 15,625                     | 27,060                          | 4,359                         | 11,158                      | 15,489               | 106,382 |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 16,157                    | 2,673                        | 5,460                      | 4,502                           | 830                           | 4,410                       | 7,153                | 41,185  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 12,963                    | 1,975                        | 3,825                      | 3,223                           | 533                           | 3,670                       | 6,068                | 32,257  |
| Institutions ....     | 3,194                     | 698                          | 1,635                      | 1,278                           | 297                           | 739                         | 865                  | 8,928   |
| Marketing bill        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 23,258                    | 4,348                        | 11,890                     | 23,056                          | 3,931                         | 11,932                      | 13,622               | 92,037  |
| At-home .....         | 11,962                    | 2,235                        | 7,920                      | 19,792                          | 3,174                         | 8,024                       | 7,768                | 60,875  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 11,296                    | 2,113                        | 3,970                      | 3,264                           | 757                           | 3,908                       | 5,854                | 31,162  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 8,906                     | 1,517                        | 2,764                      | 2,358                           | 482                           | 3,263                       | 4,989                | 24,280  |
| Institutions ....     | 2,391                     | 595                          | 1,206                      | 906                             | 275                           | 645                         | 865                  | 6,882   |
| Farm value            |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 19,618                    | 4,297                        | 9,195                      | 8,506                           | 1,258                         | 3,636                       | 9,020                | 55,530  |
| At-home .....         | 14,757                    | 3,737                        | 7,705                      | 7,268                           | 1,185                         | 3,134                       | 7,720                | 45,507  |
| Away-from-home        |                           |                              |                            |                                 |                               |                             |                      |         |
| Total .....           | 4,861                     | 560                          | 1,490                      | 1,238                           | 73                            | 502                         | 1,299                | 10,023  |
| Public eating         |                           |                              |                            |                                 |                               |                             |                      |         |
| places .....          | 4,057                     | 458                          | 1,061                      | 865                             | 50                            | 408                         | 1,079                | 7,977   |
| Institutions ....     | 804                       | 102                          | 429                        | 373                             | 23                            | 94                          | 220                  | 2,046   |



Table 15.--Marketing bill for farm foods and labor and profit components, by marketing agency, selected years, 1929-74.

| Year            | Total            |                          |              |               | Processors       |                          |              |               | Wholesalers and assemblers |                          |              |               |
|-----------------|------------------|--------------------------|--------------|---------------|------------------|--------------------------|--------------|---------------|----------------------------|--------------------------|--------------|---------------|
|                 | Marketing : bill | Profits : before : taxes | Labor : cost | Other : costs | Marketing : bill | Profits : before : taxes | Labor : cost | Other : costs | Marketing : bill           | Profits : before : taxes | Labor : cost | Other : costs |
| Million dollars |                  |                          |              |               |                  |                          |              |               |                            |                          |              |               |
| 1929 .....      | 10,463           | -                        | -            | -             | 4,181            | -                        | -            | -             | 1,787                      | -                        | -            | -             |
| 1935 .....      | 8,622            | -                        | -            | -             | 3,747            | -                        | -            | -             | 1,355                      | -                        | -            | -             |
| 1939 .....      | 9,930            | -                        | -            | -             | 4,144            | -                        | -            | -             | 1,601                      | -                        | -            | -             |
| 1947 .....      | 22,643           | 1,503                    | 10,650       | 10,490        | 9,380            | 963                      | 4,062        | 4,355         | 3,493                      | 228                      | 1,313        | 1,952         |
| 1954 .....      | 32,317           | 1,473                    | 16,089       | 14,755        | 14,024           | 918                      | 6,081        | 7,025         | 4,572                      | 182                      | 2,261        | 2,129         |
| 1958 .....      | 39,548           | 1,887                    | 18,016       | 19,645        | 17,743           | 1,138                    | 6,483        | 10,122        | 5,211                      | 229                      | 2,536        | 2,446         |
| 1959 .....      | 42,408           | 2,065                    | 18,799       | 21,564        | 19,059           | 1,124                    | 6,769        | 11,066        | 5,267                      | 259                      | 2,622        | 2,386         |
| 1960 .....      | 44,565           | 2,100                    | 19,650       | 22,815        | 19,201           | 1,180                    | 7,053        | 10,968        | 5,255                      | 273                      | 2,658        | 2,594         |
| 1961 .....      | 45,674           | 2,163                    | 19,892       | 23,619        | 19,771           | 1,286                    | 7,171        | 11,314        | 5,618                      | 302                      | 2,636        | 2,680         |
| 1962 .....      | 47,656           | 2,198                    | 20,763       | 24,695        | 19,870           | 1,250                    | 7,373        | 11,247        | 6,008                      | 329                      | 2,683        | 2,996         |
| 1963 .....      | 49,895           | 2,423                    | 21,316       | 26,156        | 20,032           | 1,578                    | 7,415        | 11,039        | 6,407                      | 277                      | 2,685        | 3,445         |
| 1964 .....      | 52,631           | 2,806                    | 22,100       | 27,725        | 21,184           | 1,656                    | 7,590        | 11,938        | 6,466                      | 409                      | 2,770        | 3,287         |
| 1965 .....      | 54,001           | 3,007                    | 23,337       | 27,657        | 20,773           | 1,800                    | 7,947        | 10,726        | 6,724                      | 419                      | 2,924        | 3,381         |
| 1966 .....      | 57,156           | 3,403                    | 24,636       | 29,117        | 20,970           | 2,089                    | 8,327        | 10,554        | 7,346                      | 467                      | 3,115        | 3,764         |
| 1967 .....      | 60,410           | 3,380                    | 25,896       | 31,134        | 23,559           | 1,910                    | 8,821        | 12,828        | 7,612                      | 491                      | 3,360        | 3,761         |
| 1968 .....      | 63,570           | 3,605                    | 28,012       | 31,953        | 24,537           | 1,980                    | 9,333        | 13,224        | 8,136                      | 599                      | 3,652        | 3,885         |
| 1969 .....      | 65,183           | 3,559                    | 30,406       | 31,218        | 24,279           | 1,883                    | 10,119       | 12,277        | 8,456                      | 637                      | 3,959        | 3,860         |
| 1970 .....      | 71,148           | 3,603                    | 32,336       | 35,209        | 25,218           | 1,966                    | 10,508       | 12,744        | 8,930                      | 648                      | 4,216        | 4,066         |
| 1971 .....      | 75,368           | 3,897                    | 34,477       | 36,994        | 26,671           | 2,546                    | 10,900       | 13,725        | 9,488                      | 784                      | 4,597        | 4,107         |
| 1972 .....      | 78,897           | 3,470                    | 37,642       | 36,393        | 28,517           | 2,151                    | 11,651       | 14,715        | 10,266                     | 704                      | 4,991        | 4,571         |
| 1973 .....      | 81,965           | 4,571                    | 40,454       | 36,940        | 27,798           | 2,777                    | 11,896       | 13,125        | 11,744                     | 1,053                    | 5,301        | 5,390         |
| 1974 .....      | 92,037           | 5,285                    | 46,659       | 40,093        | 30,660           | 3,090                    | 13,092       | 14,478        | 13,880                     | 1,178                    | 5,914        | 6,788         |

Table 15.--Marketing bill for farm foods and labor and profit components, by marketing agency, selected years, 1929-74.

| Year | Retailers       |                      |            | Eating places and institutions |                 |                      | Share of total marketing bill |             |            |              |               |
|------|-----------------|----------------------|------------|--------------------------------|-----------------|----------------------|-------------------------------|-------------|------------|--------------|---------------|
|      | Marketing bill  | Profits before taxes | Labor cost | Other costs                    | Marketing bill  | Profits before taxes | Labor costs                   | Other costs | Processors | Whole-salers | Eating places |
|      | Million dollars |                      |            |                                | Million dollars |                      |                               |             | Percent    |              |               |
| 1929 | 2,769           | -                    | -          | -                              | 1,726           | -                    | -                             | -           | 40.0       | 17.1         | 26.5          |
| 1935 | 2,386           | -                    | -          | -                              | 1,234           | -                    | -                             | -           | 43.4       | 15.7         | 27.6          |
| 1939 | 2,555           | -                    | -          | -                              | 1,630           | -                    | -                             | -           | 41.8       | 16.1         | 25.7          |
| 1947 | 4,984           | 244                  | 3,300      | 1,440                          | 4,786           | 53                   | 1,975                         | 2,758       | 41.5       | 15.4         | 22.0          |
| 1954 | 7,118           | 291                  | 4,877      | 2,022                          | 6,603           | 64                   | 2,870                         | 3,669       | 43.4       | 14.2         | 22.0          |
| 1958 | 8,648           | 428                  | 4,977      | 3,243                          | 7,946           | 92                   | 4,020                         | 3,834       | 44.8       | 13.2         | 21.9          |
| 1959 | 9,589           | 452                  | 5,131      | 4,006                          | 8,493           | 130                  | 4,257                         | 4,106       | 44.9       | 12.4         | 22.6          |
| 1960 | 10,951          | 450                  | 5,413      | 5,088                          | 8,888           | 197                  | 4,526                         | 4,165       | 43.1       | 12.4         | 24.6          |
| 1961 | 11,621          | 425                  | 5,380      | 5,816                          | 8,664           | 150                  | 4,705                         | 3,809       | 43.3       | 12.3         | 25.4          |
| 1962 | 12,495          | 469                  | 5,616      | 6,410                          | 9,283           | 150                  | 5,091                         | 4,042       | 41.7       | 12.6         | 26.2          |
| 1963 | 13,458          | 449                  | 5,909      | 7,100                          | 9,998           | 119                  | 5,307                         | 4,572       | 40.0       | 13.0         | 27.0          |
| 1964 | 15,240          | 561                  | 6,126      | 8,553                          | 9,741           | 179                  | 5,614                         | 3,948       | 40.2       | 12.3         | 29.0          |
| 1965 | 16,087          | 539                  | 6,405      | 9,143                          | 10,717          | 250                  | 6,061                         | 4,406       | 37.9       | 12.4         | 29.8          |
| 1966 | 17,054          | 551                  | 6,644      | 9,859                          | 11,786          | 296                  | 6,550                         | 4,940       | 36.7       | 12.9         | 29.8          |
| 1967 | 16,698          | 607                  | 6,917      | 9,174                          | 12,541          | 373                  | 6,799                         | 5,369       | 39.0       | 12.6         | 27.6          |
| 1968 | 17,625          | 663                  | 7,424      | 9,538                          | 13,272          | 363                  | 7,603                         | 5,306       | 38.5       | 12.8         | 27.8          |
| 1969 | 18,201          | 679                  | 8,139      | 9,383                          | 14,247          | 360                  | 8,189                         | 5,698       | 37.1       | 13.0         | 28.0          |
| 1970 | 20,738          | 719                  | 8,808      | 11,211                         | 16,262          | 270                  | 8,804                         | 7,188       | 35.5       | 12.6         | 29.1          |
| 1971 | 21,631          | 690                  | 9,599      | 11,342                         | 17,578          | 376                  | 9,381                         | 7,821       | 35.4       | 12.6         | 28.7          |
| 1972 | 22,390          | 331                  | 10,565     | 11,494                         | 17,724          | 425                  | 10,435                        | 6,864       | 35.7       | 13.1         | 28.6          |
| 1973 | 23,572          | 433                  | 11,295     | 11,844                         | 18,851          | 494                  | 11,590                        | 6,767       | 33.9       | 14.3         | 28.8          |
| 1974 | 26,700          | 472                  | 13,555     | 12,673                         | 20,797          | 545                  | 13,681                        | 6,571       | 33.3       | 15.1         | 29.0          |

Table 16.--The market basket of farm foods by product group: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1974 and 1975 by quarters

| Item                      | 1974     |          |          |          | 1975     |          |
|---------------------------|----------|----------|----------|----------|----------|----------|
|                           | I        | II       | III      | IV       | I        | II       |
| ----- Dollars -----       |          |          |          |          |          |          |
| Retail cost               |          |          |          |          |          |          |
| Market basket .....       | 1,720.02 | 1,730.83 | 1,750.64 | 1,796.74 | 1,824.48 | 1,837.81 |
| Meat .....                | 560.13   | 515.32   | 527.25   | 527.96   | 520.34   | 552.54   |
| Dairy .....               | 292.30   | 302.50   | 293.76   | 296.74   | 301.18   | 298.39   |
| Poultry .....             | 72.26    | 65.38    | 65.59    | 70.05    | 70.81    | 70.81    |
| Eggs .....                | 66.40    | 50.07    | 51.30    | 59.84    | 58.33    | 51.56    |
| Bakery and cereal:        |          |          |          |          |          |          |
| All ingredients .....     | 259.40   | 275.56   | 280.32   | 293.91   | 311.18   | 309.63   |
| Grain .....               | -        | -        | -        | -        | -        | -        |
| Fresh fruits .....        | 68.49    | 73.78    | 79.00    | 71.34    | 69.80    | 75.79    |
| Fresh vegetables .....    | 116.21   | 138.33   | 115.94   | 104.86   | 107.29   | 110.80   |
| Proc. fruits and veg. ... | 151.81   | 160.53   | 170.28   | 181.35   | 187.03   | 186.94   |
| Fats and oils .....       | 64.16    | 72.43    | 77.64    | 88.75    | 89.97    | 82.87    |
| Miscellaneous .....       | 68.87    | 76.93    | 89.54    | 101.94   | 108.55   | 98.48    |
| Farm value                |          |          |          |          |          |          |
| Market basket .....       | 779.13   | 708.37   | 742.98   | 759.48   | 724.05   | 766.19   |
| Meat .....                | 325.22   | 273.81   | 304.40   | 293.23   | 284.53   | 347.77   |
| Dairy .....               | 151.91   | 151.12   | 139.32   | 140.97   | 141.64   | 142.07   |
| Poultry .....             | 39.87    | 34.92    | 37.55    | 40.61    | 39.80    | 41.49    |
| Eggs .....                | 46.83    | 32.06    | 34.70    | 41.00    | 38.82    | 32.12    |
| Bakery and cereal:        |          |          |          |          |          |          |
| All ingredients .....     | 73.50    | 60.91    | 66.73    | 75.34    | 63.97    | 53.42    |
| Grain .....               | 57.81    | 42.96    | 45.20    | 49.05    | 41.76    | 36.86    |
| Fresh fruits .....        | 20.49    | 22.50    | 24.02    | 21.46    | 20.16    | 24.79    |
| Fresh vegetables .....    | 40.46    | 46.70    | 36.89    | 35.31    | 36.67    | 40.64    |
| Proc. fruits and veg. ... | 34.55    | 35.87    | 36.28    | 40.02    | 40.10    | 39.25    |
| Fats and oils .....       | 29.22    | 29.83    | 39.93    | 40.97    | 32.20    | 26.20    |
| Miscellaneous .....       | 17.09    | 20.65    | 23.15    | 30.58    | 26.16    | 18.44    |
| Farm-retail spread        |          |          |          |          |          |          |
| Market basket .....       | 940.89   | 1,022.46 | 1,007.66 | 1,037.26 | 1,100.43 | 1,071.62 |
| Meat .....                | 234.91   | 241.51   | 222.85   | 234.73   | 235.81   | 204.77   |
| Dairy .....               | 140.39   | 151.38   | 154.44   | 155.77   | 159.54   | 156.32   |
| Poultry .....             | 32.39    | 30.46    | 28.04    | 29.44    | 31.01    | 29.32    |
| Eggs .....                | 19.57    | 18.01    | 16.60    | 18.84    | 19.51    | 19.44    |
| Bakery and cereal:        |          |          |          |          |          |          |
| All ingredients .....     | 185.90   | 214.65   | 213.59   | 218.57   | 247.21   | 256.21   |
| Grain .....               | -        | -        | -        | -        | -        | -        |
| Fresh fruits .....        | 48.00    | 51.28    | 54.98    | 49.88    | 49.64    | 51.00    |
| Fresh vegetables .....    | 75.75    | 91.63    | 79.05    | 69.55    | 70.62    | 70.16    |
| Proc. fruits and veg. ... | 117.26   | 124.66   | 134.00   | 141.33   | 146.93   | 147.69   |
| Fats and oils .....       | 34.94    | 42.60    | 37.71    | 47.78    | 57.77    | 56.67    |
| Miscellaneous .....       | 51.78    | 56.28    | 66.39    | 71.36    | 82.39    | 80.04    |
| Farmer's share            |          |          |          |          |          |          |
| ----- Percent -----       |          |          |          |          |          |          |
| Market basket .....       | 45.3     | 40.9     | 42.4     | 42.3     | 39.7     | 41.7     |
| Meat .....                | 58.1     | 53.1     | 57.7     | 55.5     | 54.7     | 62.9     |
| Dairy .....               | 52.0     | 50.0     | 47.4     | 47.5     | 47.0     | 47.6     |
| Poultry .....             | 55.2     | 53.4     | 57.2     | 58.0     | 56.2     | 58.6     |
| Eggs .....                | 70.5     | 64.0     | 67.6     | 68.5     | 66.5     | 62.3     |
| Bakery and cereal:        |          |          |          |          |          |          |
| All ingredients .....     | 28.3     | 22.1     | 23.8     | 25.6     | 20.6     | 17.3     |
| Grain .....               | 22.3     | 15.6     | 16.1     | 16.7     | 13.4     | 11.9     |
| Fresh fruits .....        | 29.9     | 30.5     | 30.4     | 30.1     | 28.9     | 32.7     |
| Fresh vegetables .....    | 34.8     | 33.8     | 31.8     | 33.7     | 34.2     | 36.7     |
| Proc. fruits and veg. ... | 22.8     | 22.3     | 21.3     | 22.1     | 21.4     | 21.0     |
| Fats and oils .....       | 45.5     | 41.2     | 51.4     | 46.2     | 35.8     | 31.6     |
| Miscellaneous .....       | 24.8     | 26.8     | 25.9     | 30.0     | 24.1     | 18.7     |



Table 17.--Farm food products: Retail price, farm value, farm-retail spread, and farmer's share of retail price, first and second quarters 1975 and second quarter 1974.

| Product 1/                     | Retail unit      | Retail price |       |       |       | Farm value |      |      |      | Farm-retail spread |      |      |      | Farmer's share |      |      |      |
|--------------------------------|------------------|--------------|-------|-------|-------|------------|------|------|------|--------------------|------|------|------|----------------|------|------|------|
|                                |                  | II           |       | I     |       | II         |      | I    |      | II                 |      | I    |      | II             |      | I    |      |
|                                |                  | 1975         | 1975  | 1975  | 1975  | 1974       | 1975 | 1975 | 1975 | 1974               | 1975 | 1975 | 1974 | 1975           | 1975 | 1974 | 1975 |
| Cents                          |                  |              |       |       |       |            |      |      |      |                    |      |      |      |                |      |      |      |
| Beef, Choice .....             | Pound            | 146.5        | 129.6 | 134.5 | 101.3 | 75.2       | 81.7 | 45.2 | 54.4 | 52.8               | 69   | 58   | 61   |                |      |      |      |
| Lamb, Choice .....             | Pound            | 164.4        | 156.0 | 142.5 | 97.6  | 84.8       | 83.6 | 66.8 | 71.2 | 58.9               | 59   | 54   | 59   |                |      |      |      |
| Pork .....                     | Pound            | 123.1        | 114.4 | 99.3  | 81.5  | 68.3       | 47.9 | 41.6 | 46.1 | 51.4               | 66   | 60   | 48   |                |      |      |      |
| Butter .....                   | Pound            | 95.5         | 94.1  | 93.5  | 58.1  | 56.9       | 52.9 | 37.4 | 37.2 | 40.6               | 61   | 60   | 57   |                |      |      |      |
| Cheese, American process ..... | 1/2 pound        | 74.1         | 73.5  | 75.4  | 34.0  | 32.6       | 34.0 | 40.1 | 40.9 | 41.4               | 46   | 44   | 45   |                |      |      |      |
| Ice cream .....                | 1/2 gallon       | 121.6        | 122.3 | 105.1 | 38.5  | 41.4       | 38.2 | 83.1 | 80.9 | 66.9               | 32   | 34   | 36   |                |      |      |      |
| Milk, evaporated .....         | 14 1/2-ounce can | 30.4         | 30.6  | 28.5  | 14.3  | 14.1       | 14.8 | 16.1 | 16.5 | 13.7               | 47   | 46   | 52   |                |      |      |      |
| Milk, fresh:                   |                  |              |       |       |       |            |      |      |      |                    |      |      |      |                |      |      |      |
| Sold in stores .....           | 1/2 gallon       | 77.7         | 79.2  | 80.1  | 39.9  | 40.0       | 43.4 | 37.8 | 39.2 | 36.7               | 51   | 51   | 54   |                |      |      |      |
| Chicken, frying .....          | Pound            | 59.0         | 58.9  | 53.0  | 34.7  | 33.1       | 28.8 | 24.3 | 25.8 | 24.2               | 59   | 56   | 54   |                |      |      |      |
| Turkey .....                   | Pound            | 69.7         | 70.4  | 70.9  | 39.1  | 39.6       | 32.4 | 30.6 | 30.8 | 38.5               | 56   | 56   | 46   |                |      |      |      |
| Eggs, large Grade A ..         | Dozen            | 71.6         | 81.0  | 68.5  | 44.6  | 53.9       | 43.9 | 27.0 | 27.1 | 24.6               | 62   | 67   | 64   |                |      |      |      |
| Bread, white:                  |                  |              |       |       |       |            |      |      |      |                    |      |      |      |                |      |      |      |
| All ingredients .....          | Pound            | 36.2         | 37.3  | 34.4  | 6.2   | 7.5        | 6.7  | 30.0 | 29.8 | 27.7               | 17   | 20   | 19   |                |      |      |      |
| Wheat .....                    | Pound            | -            | -     | -     | 4.0   | 4.7        | 4.5  | -    | -    | -                  | 11   | 13   | 13   |                |      |      |      |
| Bread, whole wheat ..          | Pound            | 57.5         | 57.2  | 52.0  | 5.4   | 6.3        | 5.9  | 52.1 | 50.9 | 46.1               | 9    | 11   | 11   |                |      |      |      |
| Cookies, sandwich .....        | Pound            | 95.7         | 96.5  | 69.5  | 13.4  | 18.0       | 14.7 | 82.3 | 78.5 | 54.8               | 14   | 19   | 21   |                |      |      |      |
| Corn flakes .....              | 12 ounces        | 52.0         | 51.9  | 39.0  | 4.6   | 4.8        | 4.3  | 47.4 | 47.1 | 34.7               | 9    | 9    | 11   |                |      |      |      |
| Flour, white .....             | 5 pounds         | 101.4        | 104.1 | 106.9 | 32.9  | 38.3       | 36.4 | 68.5 | 65.8 | 70.5               | 32   | 37   | 34   |                |      |      |      |
| Rice, long grain .....         | Pound            | 47.3         | 47.4  | 53.2  | 15.1  | 15.3       | 22.3 | 32.2 | 32.1 | 30.9               | 32   | 32   | 42   |                |      |      |      |
| Apples .....                   | Pound            | 35.5         | 31.4  | 34.9  | 14.1  | 10.8       | 12.4 | 21.4 | 20.6 | 22.5               | 40   | 34   | 36   |                |      |      |      |
| Grapefruit .....               | Each             | 21.8         | 18.9  | 18.6  | 5.5   | 4.4        | 4.1  | 16.3 | 14.5 | 14.5               | 25   | 23   | 22   |                |      |      |      |
| Lemons .....                   | Pound            | 42.9         | 42.4  | 41.3  | 9.7   | 8.3        | 10.1 | 33.2 | 34.1 | 31.2               | 23   | 20   | 24   |                |      |      |      |
| Oranges .....                  | Dozen            | 111.4        | 107.9 | 107.9 | 25.4  | 23.2       | 24.0 | 86.0 | 84.7 | 83.9               | 23   | 22   | 22   |                |      |      |      |
| Cabbage .....                  | Pound            | 17.8         | 17.1  | 16.7  | 6.6   | 6.0        | 4.9  | 11.2 | 11.1 | 11.8               | 37   | 35   | 29   |                |      |      |      |
| Carrots .....                  | Pound            | 29.4         | 27.3  | 21.9  | 11.3  | 10.0       | 7.3  | 18.1 | 17.3 | 14.6               | 38   | 37   | 33   |                |      |      |      |
| Celery .....                   | Pound            | 25.0         | 23.5  | 23.5  | 7.5   | 6.6        | 6.7  | 17.5 | 16.9 | 16.8               | 30   | 28   | 29   |                |      |      |      |
| Cucumbers .....                | Pound            | 42.8         | 51.3  | 35.5  | 15.5  | 16.6       | 14.0 | 27.3 | 34.7 | 21.5               | 36   | 32   | 39   |                |      |      |      |
| Lettuce .....                  | Head             | 39.7         | 42.8  | 45.2  | 10.7  | 14.9       | 13.4 | 29.0 | 27.9 | 31.8               | 27   | 35   | 30   |                |      |      |      |
| Onions .....                   | Pound            | 25.9         | 16.2  | 20.5  | 11.4  | 5.7        | 5.2  | 14.5 | 10.5 | 15.3               | 44   | 35   | 25   |                |      |      |      |
| Peppers, green .....           | Pound            | 63.1         | 67.3  | 63.4  | 24.0  | 31.7       | 25.7 | 39.1 | 35.6 | 37.7               | 38   | 47   | 41   |                |      |      |      |
| Potatoes .....                 | 10 pounds        | 115.8        | 109.3 | 223.7 | 45.5  | 32.7       | 78.4 | 70.3 | 76.6 | 145.3              | 39   | 30   | 35   |                |      |      |      |
| Tomatoes .....                 | Pound            | 59.5         | 61.3  | 58.2  | 25.3  | 24.6       | 23.5 | 34.2 | 36.7 | 34.7               | 43   | 40   | 40   |                |      |      |      |

Continued--

Table 17.--Farm food products: Retail price, farm value, farm-retail spread, and farmer's share of retail price,

| Products                               | Retail unit   | Retail price |       | Farm value |      | Farm-retail spread |      | Farmer's share |      |
|--|---------------|--------------|-------|------------|------|--------------------|------|----------------|------|
|  |               | I            | II    | I          | II   | I                  | II   | I              | II   |
|  |               | 1975         | 1974  | 1975       | 1974 | 1975               | 1974 | 1975           | 1974 |
| Cents                                  |               |              |       |            |      |                    |      |                |      |
| Peaches, canned.....                   | No. 2½ can    | 59.7         | 48.6  | 17.0       | 11.0 | 42.7               | 37.6 | 28             | 23   |
| Pears, canned.....                     | No. 2½ can    | 75.4         | 61.5  | 21.1       | 13.9 | 54.3               | 47.6 | 28             | 23   |
| Beets, canned.....                     | No. 303 can   | 33.3         | 27.2  | 2.4        | 1.8  | 30.9               | 25.4 | 7              | 7    |
| Corn, canned.....                      | No. 303 can   | 38.0         | 27.6  | 5.4        | 3.1  | 32.6               | 24.5 | 14             | 11   |
| Peas, canned.....                      | No. 303 can   | 39.3         | 29.7  | 6.8        | 4.4  | 32.5               | 25.3 | 17             | 15   |
| Tomatoes, canned.....                  | No. 303 can   | 35.4         | 28.9  | 4.9        | 3.2  | 30.5               | 25.7 | 14             | 11   |
| Lemonade, frozen.....                  | 6-ounce can   | 23.8         | 16.1  | 7.4        | 4.8  | 16.4               | 11.3 | 31             | 30   |
| Orange juice, frozen..                 | 6-ounce can   | 28.0         | 25.6  | 8.1        | 9.2  | 19.9               | 16.4 | 29             | 36   |
| Potatoes, french<br>fried, frozen..... | 9 ounces      | 25.4         | 21.1  | 4.6        | 7.8  | 20.8               | 13.3 | 18             | 37   |
| Peas, frozen.....                      | 10 ounces     | 33.1         | 26.4  | 7.0        | 4.2  | 26.1               | 22.2 | 21             | 16   |
| Beans, dried.....                      | Pound         | 37.5         | 79.3  | 13.9       | 40.9 | 23.6               | 38.4 | 37             | 51   |
| Margarine.....                         | Pound         | 63.7         | 53.9  | 20.2       | 23.0 | 43.5               | 30.9 | 32             | 43   |
| Peanut butter.....                     | 12-ounce jar  | 67.6         | 59.1  | 21.2       | 20.1 | 46.4               | 39.0 | 31             | 34   |
| Salad and cooking<br>oil.....          | 24-oz. bottle | 120.6        | 102.4 | 32.2       | 36.9 | 88.4               | 65.5 | 27             | 36   |
| Vegetable shortening..                 | 3 pounds      | 190.3        | 171.6 | 70.9       | 80.5 | 119.4              | 91.1 | 37             | 47   |
| Sugar.....                             | 5 pounds      | 183.5        | 126.6 | 75.2       | 81.3 | 108.3              | 45.3 | 41             | 64   |
| Spaghetti, canned.....                 | 15½-oz. can   | 26.6         | 22.0  | 3.9        | 3.2  | 22.7               | 18.8 | 15             | 15   |

1/ Primary products in the farm-food market basket.

2/ Preliminary.

Table 18.--Farm food products: Retail price, farm value, byproduct allowance, farm-retail spread, and farmer's share of retail price, second quarter 1975.

| Product                     | Farm equivalent              | Retail unit                 | Retail price | Gross farm value | Byproduct allowance | Net farm value | Farm-retail spread | Farmer's share |
|-----------------------------|------------------------------|-----------------------------|--------------|------------------|---------------------|----------------|--------------------|----------------|
|                             |                              |                             |              |                  |                     |                |                    |                |
|                             |                              |                             |              |                  |                     |                |                    |                |
| Beef, Choice grade .....    | 2.28 lb. Choice cattle ..... | Pound                       | 146.5        | 108.4            | 7.1                 | 101.3          | 45.2               | 69             |
| Lamb, Choice grade .....    | 2.43 lb. lamb .....          | Pound                       | 164.4        | 107.9            | 10.3                | 97.6           | 66.8               | 59             |
| Pork .....                  | 1.97 lb. hog .....           | Pound                       | 123.1        | 88.9             | 7.4                 | 81.5           | 41.6               | 66             |
| Butter .....                | Milk for butter .....        | Pound                       | 95.5         | 161.4            | 103.3               | 58.1           | 37.4               | 61             |
| Cheese, American proc. .... | Milk for American cheese ... | $\frac{1}{2}$ pound         | 74.1         | 34.7             | 0.7                 | 34.0           | 40.1               | 46             |
| Ice cream .....             | Cream, milk, and sugar ..... | $\frac{1}{2}$ gallon        | 121.6        | -                | -                   | 38.5           | 83.1               | 32             |
| Milk, evaporated .....      | Milk for evaporating .....   | 14 $\frac{1}{2}$ -ounce can | 30.4         | -                | -                   | 14.3           | 16.1               | 47             |
| Milk, fresh:                |                              |                             |              |                  |                     |                |                    |                |
| Sold in stores .....        | 4.39 lb. Class I milk .....  | $\frac{1}{2}$ gallon        | 77.7         | -                | -                   | 39.9           | 37.8               | 51             |
| Chicken, frying .....       | 1.41 lb. broiler .....       | Pound                       | 59.0         | -                | -                   | 34.7           | 24.3               | 59             |
| Turkey .....                | 1.28 lb. turkey .....        | Pound                       | 69.7         | -                | -                   | 39.1           | 30.6               | 56             |
| Eggs, Grade A Large ....    | 1.03 dozen .....             | Dozen                       | 71.6         | -                | -                   | 44.6           | 27.0               | 62             |
| Bread, white:               |                              |                             |              |                  |                     |                |                    |                |
| All ingredients .....       | U.S. farm ingredients .....  | Pound                       | 36.2         | -                | -                   | 6.2            | 30.0               | 17             |
| Wheat .....                 | .867 lb. wheat .....         | Pound                       | -            | 4.7              | .7                  | 4.0            | -                  | 11             |
| Bread, whole wheat .....    | .708 lb. wheat .....         | Pound                       | 57.5         | -                | -                   | 3.3            | 52.1               | 9              |
| Cookies, sandwich .....     | .528 lb. wheat .....         | Pound                       | 95.7         | -                | -                   | 13.4           | 82.3               | 14             |
| Corn flakes .....           | 2.87 lb. yellow corn .....   | 12 ounces                   | 52.0         | 13.9             | 9.3                 | 4.6            | 47.4               | 9              |
| Flour, wheat .....          | 6.85 lb. wheat .....         | 5 pounds                    | 101.4        | 38.3             | 5.4                 | 32.9           | 68.5               | 32             |
| Rice, long grain .....      | 1.59 lb. rough rice .....    | Pound                       | 47.3         | 16.6             | 1.5                 | 15.1           | 32.2               | 32             |
| Apples .....                | 1.04 lb. apples .....        | Pound                       | 35.5         | -                | -                   | 14.1           | 21.4               | 40             |
| Grapefruit .....            | 1.03 grapefruit .....        | Each                        | 21.8         | -                | -                   | 5.5            | 16.3               | 25             |
| Lemons .....                | 1.04 lb. lemons .....        | Pound                       | 42.9         | -                | -                   | 9.7            | 33.2               | 23             |
| Oranges .....               | 1.03 dozen oranges .....     | Dozen                       | 111.4        | -                | -                   | 25.4           | 86.0               | 23             |
| Cabbage .....               | 1.08 lb. cabbage .....       | Pound                       | 17.8         | -                | -                   | 6.6            | 11.2               | 37             |
| Carrots .....               | 1.03 lb. carrots .....       | Pound                       | 29.4         | -                | -                   | 11.3           | 18.1               | 38             |
| Celery .....                | 1.08 lb. celery .....        | Pound                       | 25.0         | -                | -                   | 7.5            | 17.5               | 30             |
| Cucumbers .....             | 1.09 lb. cucumbers .....     | Pound                       | 42.8         | -                | -                   | 15.5           | 27.3               | 36             |
| Lettuce .....               | 1.88 lb. lettuce .....       | Head                        | 39.7         | -                | -                   | 10.7           | 29.0               | 27             |
| Onions .....                | 1.06 lb. onions .....        | Pound                       | 25.9         | -                | -                   | 11.4           | 14.5               | 44             |
| Peppers, green .....        | 1.09 lb. peppers .....       | Pound                       | 63.1         | -                | -                   | 24.0           | 39.1               | 38             |
| Potatoes .....              | 10.42 lb. potatoes .....     | 10 pounds                   | 115.8        | -                | -                   | 45.5           | 70.3               | 39             |
| Tomatoes .....              | 1.18 lb. tomatoes .....      | Pound                       | 59.5         | -                | -                   | 25.3           | 34.2               | 43             |

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